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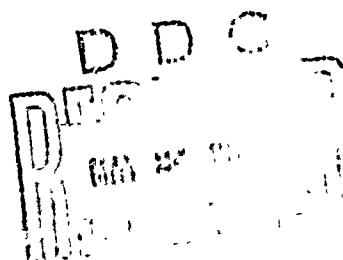
December 1971

Land Reform and the Revolutionary War: A Review of Mao's Concepts and Doctrines

K. C. Yeh

A Report prepared for
ADVANCED RESEARCH PROJECTS AGENCY

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DOCUMENT CONTROL DATA

1. ORIGINATING ACTIVITY The Rand Corporation		2a. REPORT SPECIES CLASSIFICATION UNCLASSIFIED
3. REPORT TITLE LAND REFORM AND THE REVOLUTIONARY WAR: A REVIEW OF MAO'S CONCEPTS AND DOCTRINES		2b. GROUP
4. AUTHOR(S) (last name, first name, initial) Yeh, K. C.		
5. REPORT DATE December 1971	6a. TOTAL NO. OF PAGES 140	6b. NO. OF REFS.
7. CONTRACT OR GRANT NO. DAHC15 67 C 0142	8. ORIGINATOR'S REPORT NO. R-744-AR	
9a. AVAILABILITY/LIMITATION NOTICES DDC-A	9b. SPONSORING AGENCY Advanced Research Projects Agency	
10. ABSTRACT <p>Discussion of the economic basis of the Communist doctrine of land reform and the conditions that led to it. A revolution, as Mao sees it, is a protracted armed struggle, led by the Party and supported by the masses. An essential ingredient in Mao's mobilization program was the positive appeal that touched directly upon the peasants' interests. In the pre-1937 and post-1945 periods, land reform was used to fulfill the need for economic security. During the Sino-Japanese war, when the radical land reform policy was temporarily suspended, a campaign to reduce rent was instituted to redistribute income in favor of the peasants. The Communist leaders spared no effort in indoctrinating and organizing the peasants at the base levels. The catalytic role of the Party was all important: Although poverty and social blockage created the permanent gap between the peasants' aspirations and reality, land reform and other motivational appeals provided a way to bridge that gap.</p>	11. KEY WORDS Asia China Communism Economics--Foreign Agriculture	

PREFACE

Among the many lessons of revolutionary warfare that one can draw from the Chinese Communist experience, the role of land reform in Mao's model of the people's war stands out as a striking feature. The important question is: How relevant is Mao's doctrine of land reform in a different insurgent setting? The answer to this question requires an understanding of the nature and goals of land reform as the Communists saw them, and a close examination of the political and economic environment for which Mao's doctrine was designed. An earlier study discusses the political element in the evolution of the Chinese Communist strategy, with special reference to the role of the Communist Party in peasant revolts.¹ The current study focuses on the economic basis of the Communist land reform doctrine and the agrarian conditions that led the Communist leaders to believe strongly in the effectiveness of land reform. Whether or not the Communist land policies were actually effective in the rise of Chinese Communism is a separate and controversial issue and must await further study.

¹K. C. Yeh, The Chinese Communist Revolutionary Strategy and the Land Problem, 1921-1927, RM-6077-ARPA, The Rand Corporation, April 1970.

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SUMMARY

This report is a study of Mao's doctrine of land reform and its relevance to revolutionary warfare. It critically reviews Mao's basic hypotheses concerning the role of land reform in the revolutionary war, examines the conditions that provide the opportunity for and constraints to land redistribution, and draws some policy implications.

A revolution, as Mao sees it, is a protracted armed struggle, led by the Party and supported by the masses. Each of the three elements (army, Party, and the masses) has its key role to play. The army is the basis of power, for power can only grow out of the barrel of a gun. The Party is the nucleus that provides the ideology, organization, and leadership. The people supply the manpower and resources for the protracted war. In an agrarian economy, the people simply means the peasants. Land reform comes into play as an instrument to weld together the interests of the army, the peasants, and the Party.

The Party generally begins the revolutionary struggle with limited resources and inferior forces. This very fact determines the basic style of the struggle: reliance on guerrilla instead of conventional warfare, emphasis on the morale of the troops rather than on equipment, a united front policy to enlist support from third parties, and heavy dependence on the rural base. By contrast, the established regime, because of its superior forces at the initial stage and access to external aid, often depends totally on the army, relies on conventional warfare, sees no need to seek mass support, and establishes its base in the urban areas.

In essence, the people's war is a process by which the Party builds up its military power on the basis of peasant support and eventually reverses the unfavorable balance of forces between the Party and the established regime. The revolutionary struggle goes through three phases: In the first phase, the primary concern of the Party is survival in the face of an overpowering enemy force. The strategy is to avoid major armed conflicts as much as possible and to concentrate on the mobilization of all forces and resources to supplement the Party's

fighting forces. In the second phase, the Party's primary objective is the rapid growth of its army, and the strategy is to transform the human and material resources under its control into military power. In the third phase the Party stages a direct confrontation of its own overwhelming forces with the established regime. In the history of the Chinese Communist movement, the Kiangsi period (1928-1934) roughly corresponds to the initial phase, the Yenan period (1935-1945) to the transitional phase of growth, and the post Sino-Japanese War period (1946-1949) to the final phase of the revolutionary process.

Two basic assumptions underlie Mao's model of the people's war: that the Party could effectively mobilize the resources for the military buildup, and that growth of the Party's military strength is faster than that of the established regime so that the initial unfavorable balance of forces is eventually reversed.

The first assumption is particularly crucial. The mobilization device that Mao greatly emphasizes is land policy, particularly land reform. Mao's firm belief that land reform could effectively enlist peasant support is based on the following propositions:

The ownership of land was very unevenly distributed and as a result a lopsided class structure emerged: A small number of landlords were exploiting a majority of the peasants.

The landlords' exploitation drove the peasants' living standard down to the starvation level.

Extreme poverty in the villages caused widespread discontent and strong aspirations to own land.

Redistribution of land by the Party gave the poor peasants a stake in the revolutionary war, in return for which the peasants provided the manpower, resources, and services essential to the practice of people's war.

Two statistical measures relating to farm tenancy have been used to check the empirical basis of Mao's observations on the tenancy system: (1) the distribution of land ownership among the landlords, rich peasants,

middle peasants, and poor peasants, and (2) the percentage composition of the peasants who were owner-operators, part-owners, and tenants. The first indicates the degree of inequality in land (and income) distribution, a basic source of social tension in the villages. The second shows the relative size of the landless group that had the highest propensity to revolt according to Mao. A comparison of independent estimates with Mao's figures suggests that Mao grossly exaggerated the degree of concentration in land ownership and the extent of farm tenancy. However, even the most conservative estimate indicates a rather uneven distribution: 10 percent of the rural population owned more than 50 percent of the land. About one-third of the farmers were tenants. The tenancy system was quite widespread in central and south China, particularly in fertile agricultural regions close to commercial and industrial centers.

By and large the tenants were indeed extremely poor as Mao observed, whether poverty is measured in terms of the tenants' per capita consumption relative to some subsistence level, or in terms of their economic status relative to those of nontenants. Mao's view that the tenancy system was the root of rural poverty was also partly true, for the burden of rent was indeed heavy. Rent absorbed about 46 percent of the tenant's crop output, or about one-third of his total net income. But Mao's proposition that tenants' productivity was lower because of the lack of incentive is open to question. Available data show that tenants were no less productive than the nontenants.

The major weakness of Mao's exploitation thesis is that at best it can explain only part of the poverty problem. For although most tenants were poor, not all poor peasants were tenants. There were distinctly more poor peasants than tenants. Moreover, the relationship between the tenancy system and rural poverty might well be mutually interacting or they might be different consequences of other factors, instead of a simple cause-effect relationship as Mao has assumed. The empirical evidence suggests a broader hypothesis: It was the fragmentation of farm land as well as the concentration of land ownership, the heavy taxation and exorbitant interest rates as well as excessive

rent, and the enormous population pressure and the loss of farm subsidiary income as well as the spread of the tenancy system that reduced the peasants' income to starvation levels.

Just as Mao's exploitation thesis is inadequate to explain poverty, his proposition that poverty breeds dissidence is simplistic. Poverty was not the only nor even the most important factor that induced the peasants to become dissident. Changes in the peasants' income, particularly an abrupt, sharp decline, might be significant. Similarly, hostility generated by political oppression, nationalism, and the peasants' hunger for land might also be strong motivational factors. Furthermore, open revolt was only one of several possible courses of action the peasants might take. In principle, there were other alternatives such as climbing the agricultural ladder, economic pursuits outside of agriculture, and illegal activities such as smuggling and banditry. Only when most of the regular channels of mobility were blocked would the peasants resort to open revolt.

This eclectic view of rural poverty and peasant dissidence suggests that, in diagnosing revolutionary potential in the villages, high tenancy ratios, unequal land distribution, and heavy rent are not the only symptoms to look for. Even where farm tenancy is relatively unimportant, the situation may be potentially explosive if other indications of poverty and grievances are present, such as exorbitant taxes and interest rates, the concentration and the abuse of local political and economic power, and migration of peasants into cities where the rate of unemployment is already high.

Nonetheless, where there is extreme poverty and social blockage, land reform can probably provide the strong inducement needed for organizing the peasants, the shortcomings of Mao's doctrine notwithstanding. In effect, land reform is simply an exchange: the partial fulfillment of the peasants' hopes and aspirations in return for their commitment to the Party's goals. The peasants benefit in three ways. To them land reform represents, first of all, a redistribution of wealth in their favor. However tiny the plots may be, land reform provides some economic security and social prestige the peasants would have virtually

no other chance of acquiring. Although the Party generally would not permit any significant increase in the peasants' income, a small increase would probably mean a great deal because of the abject poverty. Finally, land reform also represents a redistribution of rural political power again in favor of the poor peasants.

From the standpoint of the Party, land reform transfers a substantial portion of what used to be rent from the landlords to the Party. The transfer is feasible without antagonizing the peasants because the latter, long accustomed to very low income levels, could be compensated with economic and social security from owning land and small increases in actual income. Perhaps equally if not more important, land reform commits the peasants to participate in the revolutionary movement. In a rural economy with substantial population pressure, the supply of manpower is generally abundant, and coercion alone could mobilize much of the manpower needed for the revolutionary war. But the manpower mobilized after land reform would have one distinct advantage to the Party: the congruence of the peasants' and the Party's interests in the war. In addition, land reform consolidates the Communist power at the village level by destroying the established political power of the landed group and replacing it with an administration controlled by the poor peasants.

The implication of Mao's doctrine is clear. If the primary source of Communist military strength is the peasantry, the government should direct its utmost effort to undermining this very power base by playing the same game the Communists play: offering the peasants economic security in exchange for their support. There is, however, an important requirement for playing the game: active leadership and willingness to sacrifice the support of the landed class. The peasants are traditionally apathetic. Poverty and grievances alone generally do not lead to revolts spontaneously. The catalytic role of the Party is all important. If the government is to play the same game, a corps of rural cadres able to lead, to propagandize, and to organize the peasants is clearly needed. Equally important is the need to overhaul the local power structure. Because the local political power and land ownership

usually go hand in hand, there usually cannot be a land reform without a thorough political reform at the village level. In the 1920s and the 1930s it was the reluctance of the government leaders to change the local political structure that blocked any land reform that could have preempted the Communists' political appeal.

Land is not the only element that can be exchanged for peasant participation. The Communists rely on land reform because they have virtually nothing to exchange with the poor peasant except what they can confiscate from the landlords. The government generally has many more resources at its disposal, partly because it has more land and people under its control in the initial stage of the revolution, and partly because it usually has more external aid. Tax relief, credit supply, price stability, and social services are some of the alternatives to land redistribution, although they will be much more effective if used to supplement rather than to substitute for land reform. The very condition of extreme poverty that makes revolution attractive also works for any positive economic and social benefits from the government, because at such low and unstable income, people are likely to be rather sensitive even to relatively small changes in their economic welfare. Moreover, anti-poverty measures need not be limited to redistribution of wealth or income. Measures to increase farm productivity and employment, albeit more difficult, are fundamental in the long run. In short, the government can do exactly what the Communists can and more. It may or may not choose to redistribute land. But it is essential for the government to accept counterinsurgency as total war and to broaden its power base with whatever mobilization appeals are the most effective in a particular economic environment.

ACKNOWLEDGMENTS

The author is greatly indebted to Rand colleagues Oleg Hoeffding, John Despres, and William Whitson for their helpful comments.

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I. INTRODUCTION

This study examines the economic basis of the Chinese Communist doctrine of land reform and its role in their revolutionary tactics and strategy. Specifically it addresses three main questions: First, what are the basic tenets in Mao's doctrine of land reform, its underlying assumptions, and its role in the people's war? Second, what are the strengths and weaknesses of Mao's doctrine when judged against a broader conceptual framework and against the agrarian reality at the time of the rise of the Chinese Communist movement? And third, what policy implications can be drawn from a critical review of Mao's doctrine?

Section II discusses Mao's perception of the basic ingredients and stages of the people's war, the key role of land reform in the model, and the major tenets of Mao's doctrine of land reform. Section III examines the empirical foundations of Mao's proposition that the ownership of land was highly concentrated in the hands of a small group, resulting in a large proportion of tenants among the peasantry. Section IV discusses the concept and measurement of poverty, Mao's diagnosis of poverty in terms of the relation between the tenancy system and poverty, and alternative interpretations. Section V is concerned with poverty versus hostility and land hunger as a motivational force for social change, channels of economic mobility, and the catalytic role of the Party in peasant dissidence. The major findings and implications are given in the summary.

II. LAND REFORM AND THE REVOLUTIONARY WAR: THE COMMUNIST VIEW

Whether or not land reform played an important role in the Communist rise to power is still under dispute among Sinologists.¹ However, among the Communist leaders themselves, there was never any doubt that land reform was of paramount importance. In 1928 Mao singled out agrarian revolution as one of the major causes why the rather weak Communist forces in Chingkangshan could exist and expand.² During the Kiangsi period (1928-1934), land reform became a major program of the Communist movement, to which the peasants were said to have responded with warm and enthusiastic support.³ After the Japanese invasion in 1937, the Party formed a united front with the Kuomintang and adopted the more moderate policy of rent reduction. But the move was intended to be merely a tactical retreat. As one Communist leader explained to the Party members,

Today we proclaim that we put aside land revolution not because we do not want to implement land revolution, but because we want to unite with all classes under the banner of anti-Japanese War. We do not use the political power of the Soviet or the Red Army to eliminate the local bullies and redistribute land. We use the method of organization and agitation to induce the people to eliminate the local bullies and redistribute land themselves. At times of revolutionary low tide, we emphasize the war against Japan and only secondarily agrarian revolution. The spotlight is on the anti-Japanese War; land revolution remains in the shadow. But when the revolution reaches a high level, agrarian revolution will be placed at the forefront.⁴

¹ Among those who question the significance of land reform, the most notable is Chalmers A. Johnson. See Johnson, 1962. For the opposing view, see Gillin, 1964; Lee, 1948; and Wright, 1951.

² Mao, "Why Can China's Red Regime Exist?" Selected Works, p. 53 (1928). The year in parentheses refers to the time Mao's writing was published. After the peasant uprising collapsed in 1928, Mao fled to Chingkangshan, a mountain on the border of Hunan and Kiangsi, and established a base there. It was the most important Communist base during the period 1928-1934.

³ Snow, 1961, p. 175. For the land reform laws promulgated during this period, see Kao, 1956, pp. 111-123, and Li, 1965, pp. 71-157.

⁴ Lin Yu-ying, no date, p. 25.

In the views of the Party leaders, the high tide arrived in 1946 when the civil war broke out in full force. On May 4, 1946, the Party issued a directive to confiscate and redistribute land.¹ Subsequently Mao personally directed all Party members to make an immediate and vigorous push for a land reform program:

The experience of these three months, July to September 1946, has proved that the peasants stood with our Party and our army against the attacks of Chiang Kai-shek's troops wherever the Central Committee's directive of May 4 was carried out firmly and speedily, and the land problem was solved radically and thoroughly. The peasants took a wait-and-see attitude wherever the "May 4 Directive" was not carried out firmly or the arrangements were made too late, or wherever this work was mechanically divided into stages, or land reform was neglected on the excuse of preoccupation with the war. In the coming few months in all areas, no matter how busy the cadre in various localities are with the war, they must resolutely lead the peasant masses to solve the land problem and, on the basis of land reform, make arrangements for large-scale production work next year.²

Again in 1947, in a report to the Central Committee of the Chinese Communist Party (CCP), Mao stated:

The rear areas of the People's Liberation Army are much more consolidated now than eighteen months ago. The reason is that our Party, standing resolutely on the side of the peasants, has carried out land reform.³

Why was land reform so important in the eyes of the Communist leaders? The answer to this question requires an examination of the communist views on two separate problems: Why must the Party have peasant support, and why could land reform muster peasant support? The first question relates to Mao's doctrine of the people's war and how to fight it and the second to his perceptions concerning the

¹ For the original directive, see Li, 1965, pp. 208-213.

² Mao, "Summing Up the Experiences of the Past Three Months," Selected Works, p. 1206 (1946).

³ Mao, "On the Present Situation and Our Tasks," Selected Works, p. 1249 (1947). See also "The Development of China's People's Liberation Army During the Period of the Second Revolutionary Civil War," Hsueh-hsi (Study), No. 6, 1952, pp. 31-32.

traditional agrarian structure and its relations to rural poverty and peasant dissidence.

MAO'S MODEL OF THE PEOPLE'S WAR

The basic tenet in Mao's doctrine of revolution is that "political power grows out of the barrel of a gun."¹ A revolution, therefore, is essentially an armed struggle against the established regime.² In emphasizing the importance of military power, Mao was speaking from the painful experience of the mid-1920s when the Communist movement suffered a disastrous setback because the Party had neglected to develop its own military force.³ But Mao was all too clearly aware of the weakness of the Party's small, newly organized army relative to the overwhelming military strength of the established regime.⁴ How does one wage an armed struggle against such a formidable enemy? Mao's answer is clear enough: Mobilize the masses. "War is not a contest of military and economic power alone but also a contest of the power and morale of man....The deepest source of the immense power of war lies in the masses."⁵ Even though the enemy is militarily much stronger than the Communist Party, particularly at the early stage of the revolution, it generally totally neglects the masses and this creates an opportunity for the Party to counterbalance the enemy's superiority by mobilizing mass support.⁶

¹ Mao, "Problem of War and Strategy," Selected Works, p. 535 (1938).

² "The seizure of power by armed force, the settlement of the issue by war, is the central task and highest form of revolution." Ibid., p. 529.

³ For details of the setback and the Party's slow awakening to its mistake, see Yeh, 1969.

⁴ Mao, "The Strategic Problems of the Chinese Revolutionary War," Selected Works, pp. 183-184 (1936).

⁵ Mao, "On Protracted War," Selected Works, pp. 459, 501 (1938).

⁶ "With the common people of the whole country mobilized, we shall create a vast ocean and drown the enemy in it, remedy our shortages in arms and other things, and secure the prerequisites to overcome every difficulty in war." See Mao, "On Protracted War," Selected Works, p. 470 (1938).

In essence, Mao's model of the people's war is basically one of protracted armed struggle that goes through three stages. At the initial point, a wide gap exists between the military strengths of the established regime and the Party. The Party's small and poorly equipped army is very much inferior. The Party strives to achieve a balance of forces by involving the masses in the conflict. They will provide additional strength in the form of manpower and resources, supplementary fighting units, and tactical support. The focus at this stage is on political work to mobilize mass support with which the Party's total forces (its regular army and guerrilla forces) will grow. When they reach the level of the enemy's regular forces, the revolution enters the second phase. The Party's military strength is still not strong enough to win the revolutionary war. But survival is no longer the basic problem. The Party now focuses not only on continued growth of its total forces, but more important, on the transformation of a large portion of the masses in its rural bases into regular armed forces. Eventually the military expansion reaches the point when the Party's regular fighting forces balance those of the enemy. Here the revolution enters into its final phase in which the Party confronts the main forces of the enemy and demolishes them. The process is illustrated in Figure 1. In the history of the Chinese Communist movement, the Kiangsi period (1928-1934) corresponds roughly to phase one, the Yenan period (1935-1945) to phase two, and the postwar period (1946-1949) to phase three of the revolutionary process.

It is important to note that Mao's argument implicitly assumes that: (1) the enemy fails to mobilize the masses, and (2) the enemy's army does not grow as fast as the regular forces of the Party.¹ To a large extent, both assumptions hold true in the case of the Chinese revolution.

The strategy that Mao designs for such a revolutionary process is rather simple: "Rely on the peasants, build rural base areas, and use the countryside to encircle and finally capture the cities."²

¹ For simplicity, Figure 1 shows no growth in the enemy's forces.

² Lin Piao, 1967, p. 20.

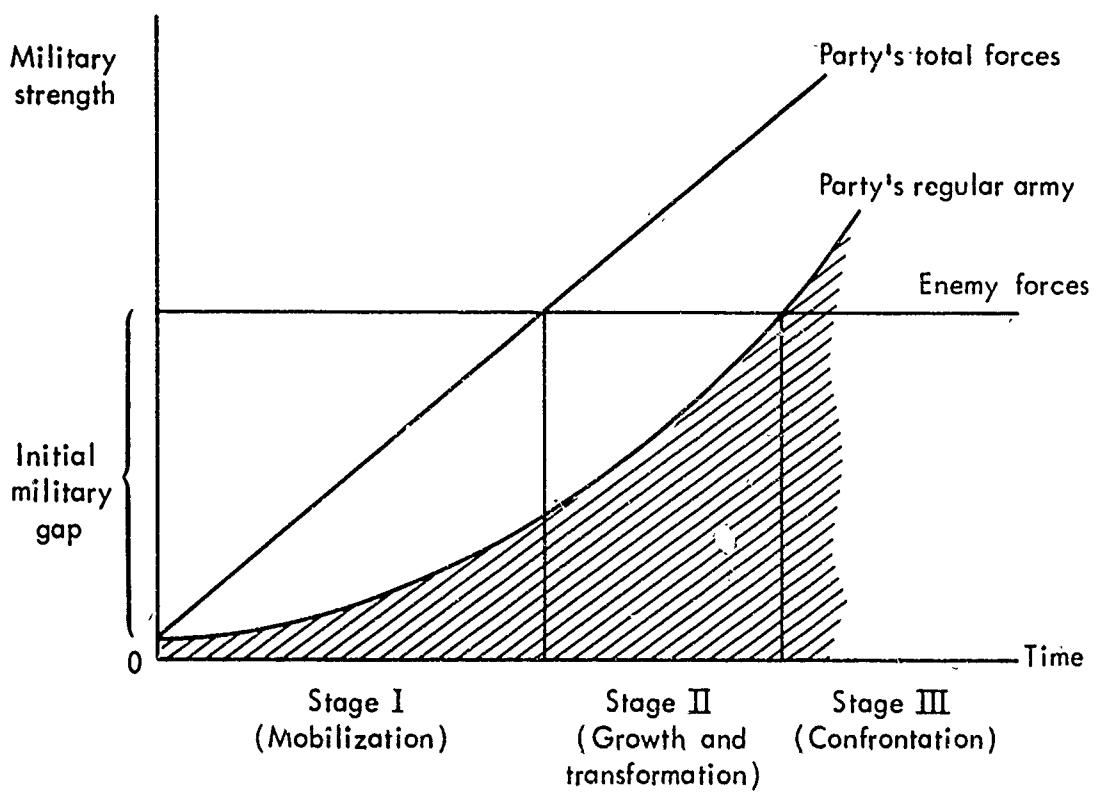


Fig. 1— The revolutionary process

The two outstanding features in Mao's strategy are the major role of the peasantry and the concept of a rural base. The rationale for emphasizing the peasantry is not difficult to understand. The peasants constitute by far the largest group in the population. Mobilizing the masses can only mean mobilizing the peasants. Concretely, Mao foresees three ways in which the peasants can help to strengthen the revolutionary force. The first is the supply of resources. Wars are costly, and people's wars are no exception. Great quantities of manpower and supplies are needed to support the army. Since the economy is predominantly agrarian, the burden must fall largely upon the peasants. Thus, "only the peasants can provide most abundantly food and raw materials.... The soldiers are merely peasants in uniform."¹ Once the Party arouses and organizes the peasants it can obtain unlimited supplies needed for the war.²

Second, to supplement its regular forces, the Party must organize some of the people into guerrilla units and the militia. In Mao's words, "to vanquish an enemy many times stronger than itself, the Party must wage a people's war in which the main forces are linked up with the local forces, the regular army with the guerrilla units and the militia, and the armed sections with the unarmed sections of the masses."³ "The operations of the people's guerrillas and those of the main forces of the Red Army complement each other like a man's right arm and left arm, and if we have only the main forces of the Red Army without the people's guerrillas we would be like a warrior with only one arm."⁴

¹ Mao, "On Coalition Government," Selected Works, p. 1079 (1945).

² Mao, "On Protracted War," Selected Works, p. 482 (1938).

³ "Resolution on Some Questions in the History of Our Party," Selected Works, p. 984. See also Mao, "On Coalition Government," Selected Works, p. 1040 (1945).

⁴ Mao, "Problems of Strategy in China's Revolutionary War," Selected Works, p. 221 (1936).

Third, in actual combat, the local people can provide many services essential to Mao's highly mobile warfare, such as intelligence, reconnaissance, logistic support, and caring for the wounded.¹

Clearly the military buildup through mobilizing the masses is a protracted process. There is the need to establish a base area where the Party can first consolidate its forces before it can expand. Mao believes that the best place to cultivate the revolutionary forces is in the countryside. This is because "China's major cities have long been occupied by the powerful imperialists and other reactionary forces. If the revolutionary ranks want to build up and train their forces and to avoid decisive battles with a powerful army while their own strength is inadequate, it is imperative for them to build a solid base in the backward villages."² A rural base also offers other advantages. Economically, the villages are largely self-sufficient, whereas the cities are not. Moreover, the countryside provides an immense terrain for the revolutionaries to maneuver freely, a condition essential to the practice of mobile guerrilla warfare.

The need to rely on the masses and to establish a rural base points to the important role of the peasantry. Indeed, the revolution is essentially "a peasant war led by the Party."³ The crucial question is how to arouse the peasants. Mao's answer is land reform. But what are the grounds for believing that land reform is an effective instrument to enlist peasant support? This leads us to Mao's perceptions of the agrarian structure and his doctrine regarding poverty and dissidence.

AGRARIAN STRUCTURE AND PEASANT DISSIDENCE

The first major proposition of Mao's land reform doctrine is that the ownership of land in traditional China was very unevenly distributed. Presumably the empirical basis of Mao's observation is the

¹ Mao, "On Coalition Government," Selected Works, p. 1041 (1945).

² Mao, "The Chinese Revolution and the Chinese Communist Party," Selected Works, p. 629 (1939).

³ Mao, "Introductory Remarks to The Communist," Selected Works, pp. 596, 600 (1939).

land survey in 1927 by the Central Land Commission of the Wuhan Regime, of which Mao was a key member.¹ Table 1 summarizes the results of this survey. The figures in this table clearly show an extremely uneven distribution of land ownership. The landlords and rich peasants, totaling about 13 percent of the rural population, owned 81 percent of the cultivated land. About 75 percent of the rural population were in the landless group or had little land. Only 12 percent of the rural population owned sufficient land to provide for a standard of living somewhat above the subsistence level.

In Mao's opinion, the land survey was "relatively accurate."² In subsequent years, he and other Party leaders repeatedly used more or less the same set of figures to show the concentration of land ownership in traditional China.³

The second major proposition in Mao's doctrine is that the uneven distribution of land ownership was the basic cause of the extreme poverty of the peasants.⁴ The concentration of land ownership in the hands of a small group inevitably gave rise to a widespread tenancy system. The large number of peasants without land or with insufficient land became tenants or semi-tenants. Mao asserted that landlords exploited the tenants by collecting high rents and interest. The tenants were said to have to pay 50 to 80 percent of their output to the landlords as rent, and often had to pay interest on loans from the landlords at an annual interest rate as high as 84 percent.⁵ As a result, the incomes of the tenants and semi-tenants were driven down to the subsistence level.

¹In early 1927, the Kuomintang and the Nationalist Government were split into two: the Left with its base at Wuhan, and Chiang Kai-shek whose forces now occupied areas around Nanchang, Nanking, and Shanghai. The "Wuhan Regime" refers to the former group.

²Chiang, 1963, p. 290.

³See Section III below.

⁴Mao, "The Chinese Revolution and the Chinese Communist Party," Selected Works, pp. 618, 624 (1939); Liu, 1950, p. 493.

⁵Mao, 1926a, p. 24.

Table 1
DISTRIBUTION OF LAND OWNERSHIP, 1927

	Size of Holdings (mow) ^a	Percent of Rural Population	Percent of Cultivated Land
Landless class	0	55	0
Poor peasants	1-10	20	6
Middle peasants	10-30	12	13
Wealthy peasants	30-50	7	19
Small and medium landlords	50-100	4	19
Large landlords	over 100	2	43
Total	--	100	100

^aA mow is equal to 0.1647 acre.

Source:

Central Land Commission, "A Survey of China's Land," Appendix to the Minutes of the Conferences of the Central Land Commission, reproduced in Chiang, 1963, pp. 287-289. The percentage of cultivated land owned by wealthy peasants originally given at 17 percent (*ibid.*) has been replaced by that given in Peasant Movements, 1953, pp. 3-5, because of a possible error, since the individual figures do not sum up to the total.

The third basic tenet in Mao's land reform doctrine is that poverty breeds dissidence. According to Mao, an individual's economic status determines his political outlook and his attitude toward revolution.¹ The lower the economic status, the greater his propensity to revolt. It follows that the most revolutionary group in the countryside was the poor peasants. They had "neither a tile over their heads nor a pinpoint of land beneath their feet," and therefore "were not afraid of losing anything."² Since most peasants were poor, the revolutionary potential in the countryside was tremendous. The torrential peasant movements in Kwangtung and Hunan in the 1920s bore witness to the great force of the masses when their pentup frustrations erupted.³ The question was how to harness the potential. Mao's prescription was that the Party must address itself to the vital interests of the poor peasants.⁴ And their vital interest was land, for the poor and the landless were one and the same. He saw an overwhelming majority of the peasants actively demanding the return of land ownership to the tiller.⁵ Land redistribution therefore would be the key to mobilizing the support of the poor peasants.⁶ The political and economic costs

¹Mao, 1926a, p. 23.

²Mao, "Report of An Investigation into the Peasant Movement in Hunan," Selected Works, p. 22 (1927).

³See Yeh, 1969, pp. 27-31.

⁴"Do we want to win the support of the masses? Do we want them to devote all their efforts to the war? If we do, we must go among the masses; arouse them to activity; concern ourselves with their weal and woe; and work earnestly and sincerely in their interests and solve their problems of production and of living conditions.... If we do so, the broad masses will certainly give us support and regard the revolution as their very life." Mao, "Take Care of the Living Conditions of the Masses and Attend to the Methods of Work," Selected Works, p. 133 (1934).

⁵Mao, "On Coalition Government," Selected Works, pp. 1075-1076 (1945).

⁶One Communist historian explains why land reform should be such an effective banner to mobilize the peasants: "Such slogans as 'fight imperialism' were of course, correct but incomprehensible to the peasants. 'We give you land.' This will immediately generate enthusiastic response, because land is what the peasants have been dreaming about for thousands of years." Yeh, 1951, p. 42.

of land reform to the Party would be virtually nil, yet the gains would be enormous. In return for the land taken from the landlords, the peasants would accept what the Party demanded of them.

Mao was pragmatic enough to realize that the revolutionary struggle necessarily involved other groups in the villages besides the poor peasants and the landlords. Moreover, class conflict also existed in the urban areas. Mao therefore prepared an analysis of the Chinese society in an attempt to identify the various social classes and to assess their relative strengths.¹

The basic criterion Mao used to classify the individuals into different groups is their economic status. Implicitly he measured economic status in terms of the individual's income relative to the subsistence level. On this basis, he distinguished five major groups in the villages: (1) big landlords who owned 500 or more mow² of land; (2) the middle class consisting of small landlords who owned fewer than 500 mow; (3) the petty bourgeoisie in the countryside -- the owner-operators who cultivated their own land; (4) the semi-proletariat, that is, semi-tenants who worked their own and rented land; and (5) the rural proletariat, including tenants who worked on rented land only, farm laborers and rural artisans who possessed no land and subsisted only by labor, and déclassé elements (that part of the rural population who could not make a living as farmers or artisans and became soldiers, bandits, robbers, beggars, or prostitutes).

On a similar basis, Mao distinguished five groups in the urban areas: (1) capitalists, including the compradors,³ bureaucrats, and warlords; (2) the middle class, including mainly the national bourgeoisie such as the owners of handicraft shops, petty intellectuals, lower

¹Mao, 1926a, pp. 23-30. Shortly after this article was published, Mao extended his class analysis to the entire population. For the original version, see Mao, 1926b, pp. 133-145. A revised version is included in Selected Works, pp. 3-11.

²One mow equals 0.1647 acres.

³A comprador was a Chinese agent for a foreign commercial establishment.

government functionaries, professionals, and petty traders; (4) the semi-proletariat such as the handcraftsmen, store keepers, and peddlers; and (5) the proletariat, including the workers, city coolies (stevedores, rickshawmen, sewage carters and street cleaners), and the urban déclassé elements.

Who among these classes were the real enemies and real friends of the revolutionaries? Mao's conclusion was clear enough:

All those in league with imperialism -- the warlords, bureaucrats, compradors, big landlords, and the reactionary section of the intelligentsia -- were the real enemies, and all the petty bourgeoisie, the semi-proletariat and the proletariat were the closest friends. The middle class wavered and vacillated, but its right wing might become an enemy and its left wing might become a friend.¹

Given the class differentiation, the tasks of the Chinese revolution immediately follow:

Imperialism and the feudal landlord class being the chief enemies of the Chinese revolution at the present stage, what are the current tasks of the revolution? Unquestionably the major tasks are to strike at these two enemies, to carry out a national revolution to overthrow imperialist oppression from the outside and a democratic revolution to overthrow the oppression of the feudal landlords at home.... The two tasks are interrelated. Unless the rule of imperialism is overthrown, the rule of the feudal landlord class cannot be ended, because imperialists are the principal supporters of the feudal landlord class. On the other hand, as the feudal landlord class forms the principal social basis for the rule of imperialism over China and the peasantry is the main force in the Chinese revolution, no powerful contingents of the Chinese revolution can be formed

¹ Mao, 1926a, pp. 144-145. Note that there are two changes in the revised version in the Selected Works, pp. 8-9 (1926). First, the statement that the industrial proletariat was the leading force in the revolution has been added. Second, the concluding paragraph of the revised version entirely leaves out the proletariat in the rural areas. Apparently the first change is intended to highlight the principle of working class leadership in order to conform to the ruling orthodoxy. The second is probably an editing error, for it is inconceivable that the rural proletariat, ten times the size of the urban proletariat, would have no place at all in Mao's revolutionary lineup.

to overthrow the imperialist rule unless help is given to the peasantry in overthrowing the feudal landlord class.¹

Mao's estimate of the relative sizes of the different classes is shown in Table 2. Several features are suggested by the figures in this table. (1) First, the overall picture is one of mass poverty. About three-fourths of the total population were living at close to the subsistence level. Thus in terms of size, the potential revolutionary forces (the proletariat, semi-proletariat and the petty bourgeoisie) totalling 395 million, far outnumbered the 5 million capitalists, big landlords, and the middle class. This one-sidedness provided the basis for Mao's optimism regarding the outcome of the class struggle.²

(2) The sharp contrast in the relative sizes of the rural and urban "exploited" classes leaves no room for argument as to whether the workers or the peasants should play the role of the principal force in the revolution. The agricultural proletariat was ten times the size of the industrial proletariat. If the semi-proletariat class is included in the comparison, the rural group would be 15 times its urban counterpart. For this reason, when Mao spoke of the masses he was referring essentially to the peasantry.³ The peasants, not the industrial workers, must assume the role of the main revolutionary force.⁴ The policy implication is that the Party must reorient its

¹Mao, "The Chinese Revolution and the Chinese Communist Party," Selected Works, p. 631 (1939).

²"Even though they (the enemies) are a group of 5 million people, they cannot stand the spittle of the 395 million," in Mao, 1926b, p. 145.

³Chen, 1951, p. 17.

⁴Mao was referring to the peasants as the principal army (chu-li-ch'un), which must not be confused with the role of the peasants as the leading force (ling-tao li-liang). The former simply implies that the peasants were the major constituent of the revolutionary force, whereas the latter implies a major role in Party leadership. While Mao clearly favored the leadership of the poor peasants in the countryside, he never assigned them a major role in the higher power hierarchy. He accepted the orthodox doctrine that the industrial proletariat, not the peasants, must lead the revolution. In reality neither the workers nor the peasants but intellectuals like Mao himself dominated the Party leadership.

Table 2

DISTRIBUTION OF THE TOTAL POPULATION BY
ECONOMIC CLASS, 1926

	Rural	Urban (million)	Total	Percent
Capitalists and landlords	0.3	0.7	1.0	0.2
Middle class	2.0	2.0	4.0	1.0
Petty bourgeoisie				
Wealthy	12.0	3.0	15.0	3.8
Middle	60.0	15.0	75.0	18.8
Poor	48.0	12.0	60.0	15.0
Semi-proletariat				
Semi-tenants	50.0	-	50.0	12.5
Tenants	120.0	-	120.0	30.0
Handicraftsmen	*	*	24.0	6.0
Storekeepers	-	5.0	5.0	1.2
Peddlers	-	1.0	1.0	0.2
Proletariat				
Agricultural workers	20.0	-	20.0	5.0
Industrial workers	-	2.0	2.0	0.5
City coolies	-	3.0	3.0	0.7
Déclassé elements	*	*	20.0	5.0
Total	320.0	80.0	400.0	100.0

"—" none or negligible.

* No breakdown into the rural and urban components is given.

Source:

Mao, 1926a, pp. 23-30; Mao, 1926b, pp. 133-145.

effort from the urban to the rural areas, from organizing labor movements to mobilizing the peasants.

(3) Table 2 also shows that the class struggle between the landless peasants and the landlords was not a two-way conflict. It involved a third group, the middle class. According to Mao's estimate, the size of the middle class was far from negligible. Thus, not surprisingly, he never lost sight of the middle group whose attitude toward the revolution was more or less neutral. His recognition of the importance of this group subsequently led him to develop the united front tactic, a device he considered one of the three most effective in the Communist struggle for power.¹ The united front tactic calls for selecting one enemy at a given stage of the Communist movement and uniting the Party with all other groups for the immediate goal of overthrowing the enemy, even though these groups might have an entirely different ideology.

In the present context, there were two such groups in the villages that warranted the Party's special attention. The first was the rich and middle owner-operators. These peasants were important to the revolutionary war not only because they constituted more than 20 percent of the rural population but also because they were the only group other than the landlords who had some savings. As noted earlier, one major problem confronting the Party was the financing of the revolutionary war. In the short run, this was essentially a problem of mobilizing whatever resources were available in the area under its control. For this purpose, the current and accumulated savings of the rich and middle peasants provided a source of revenue. In the long run, the financing would have to depend more on output, particularly agricultural output. Again this group was important because they were generally the more competent producers. It was for these reasons that Mao considered the middle peasants an important component of the revolutionary force and at one time even went so far as to say that their support was decisive in determining the outcome of the revolution.²

¹Mao, "Introductory Remarks to The Communist," Selected Works, p. 597 (1939).

²Mao, "The Chinese Revolution and the CCP," Selected Works, p. 638 (1939).

Another neutral group was the déclassé elements. Mao traced the origin of this group to unemployment in the villages. In his view, unemployment and poverty were the two basic problems in China. Solving the unemployment problem would mean solving half of China's problem.¹ In the short run, unemployment could be alleviated by the absorption of the social outcasts into the revolutionary movement. At this stage Mao was apparently concerned with the supply of manpower for the army. Subsequently when he established his base at Chingkangshan, he did draw heavily upon the déclassé elements for manpower supply.²

To sum up, the mass support the Party must seek was largely the support of the poor peasants. "The poor peasants were the rural masses without land or with inadequate land. They were the semi-proletariat in the countryside, the greatest motive force of the revolution, the natural and most reliable ally of the proletariat, and the principal force among the revolutionary troops."³ What the poor peasants wanted most was land. By giving them land, the Party would antagonize a very small group of landlords but would gain the support of a very large proportion of the population. In effect, land reform was simply a political device whereby the Party and the poor peasants exchanged land for support.

CONTRIBUTION OF LAND REFORM TO THE WAR EFFORT

Peasant support, however, was not an end in itself. As noted earlier, the important goal was to build up the military and political strength of the Party with peasant support. There were three ways in which land reform could contribute to this goal. First and foremost was the mobilization of resources to finance the war. One possible source of finance was the accumulated wealth (other than land) of the

¹ CKNM, No. 1, 1926, p. 29.

² Mao, "Struggle in the Chingkangshan," Selected Works, p. 65 (1928). Later he also appealed directly to the Ko Lo Hui, a secret society formed by the déclassé elements, to join in the struggle against Japan. Mao, "Appeal to Ko Lo Hui," in Schram, 1963, pp. 189-190.

³ Mao, "The Chinese Revolution and the CCP," Selected Works, p. 638 (1939).

landlord. In the early days of Mao's occupation of Chingkangshan, the Party relied heavily on this method.¹ Nonetheless, confiscation of the landlords' assets could only be a temporary measure. Once the revolutionary base was firmly established, war financing would depend on the level and distribution of output, and land reform could contribute to the collection of land taxes in the short run and to production in the long run. In 1927 Mao argued before the Wuhan Land Commission that land reform could solve the government's financial problem. He pointed out that many landlords were politically powerful and had evaded paying taxes on their land. He estimated the total state revenue in Hunan at 15 to 20 million yuan in 1925 and suggested that by eliminating tax evasion, land reform could increase the tax revenue to 56 million yuan, or about 3 to 4 times as much.² But quite apart from tax evasion, land reform could also increase state revenue by mobilizing the resources that were formerly saved or consumed by the landlords. In principle, land reform transferred the land ownership from the landlords to the tenants and thereby transferred the income from one group to the other. In practice this was not so. What was formerly the rental income of the landlords was now distributed three ways: a small part went to the former tenants, a minuscule part to the former landlords, and a large part to the state as tax. The redistribution of income raised the share of the state in total output. Thus Mao argued that the tax revenue in Hunan could be raised from 15 to 56 million yuan by eliminating tax evasion and further to 84 million yuan by absorbing a larger part of the former landlords' income. In short, land reform could increase revenue by 460 percent.³ Later when he established his base at Chingkangshan, his military budget was financed partly by levying rather high land taxes.⁴

Over the long run, the volume of resources available for military consumption would depend on the level of output. Output, in turn,

¹Mao, "The Struggle at Chingkangshan," Selected Works, p. 67 (1928).

²Chiang, 1963, p. 289.

³Ibid.

⁴Mao, "The Struggle at Chingkangshan," Selected Works, p. 73 (1928).

depended on the peasants' enthusiasm to produce, and land reform could rouse the peasants' enthusiasm.¹ "When land belonged to the landlords, the peasants were neither willing nor able to improve the land by their own efforts. It was only after the Party distributed land to the peasants and promoted and encouraged the peasants' production that the labor enthusiasm of the peasant masses burst forth and great victories in production were achieved."²

Another major contribution of land reform to the war effort was the mobilization of manpower. At one time Mao claimed that in two years the Party "mobilized some 1,600,000 of the peasants who obtained land to join the People's Liberation Army."³ But perhaps more important, land reform gave the soldiers an incentive to fight alongside the Party. "The Red Army felt that they were not fighting for others but for themselves and for the people."⁴ When Mao pleaded his case for land redistribution before the Wuhan regime, he pointed out emphatically this relationship between land reform and the morale of the troops:

In order to expand the armed forces to protect the revolution, there is no other way but to solve the land problem. The function (of land reform) is to solve the financial problem and the problem of manpower supply. Whether the soldiers could participate in the revolution permanently depends on the solution of the land problem, because the soldiers would fight courageously to protect their own land.⁵

A third major function of land reform in the revolutionary war was to overhaul the local power structure in the countryside. In traditional China, the local power group consisted mainly of the gentry and the wealthy. The two groups often belonged to the same land owning class. Through land reform the Party could destroy the

¹ Mao, "We Must Attend to Economic Work," and "Our Economic Policy," Selected Works, pp. 119, 126 (1933 and 1934).

² Ibid., p. 126. See also Liu, 1950, p. 493.

³ Mao, "Circular of the Central Committee of the CCP on the September Meeting," Selected Works, p. 1347 (1948).

⁴ Mao, "The Struggle at Chingkangshan," Selected Works, p. 66 (1928).

⁵ "Minutes of the Second Meeting of the Central Land Commission," quoted in Chiang, 1963, p. 284.

power bases of the landed class and replace them with a new group of local leaders that would respond more readily to the demands of the Party. For this reason land reform was intended to be more than a process of redistributing land but basically an intensive class struggle to stir up the peasants' bitter hatred toward the landlords and their gratitude toward the Party. Thus by instituting a new and faithful ruling group in the local administration, the Party could consolidate its own power and implement its policies more effectively. Furthermore, land reform as a process of class struggle also served the function of training the cadres.¹ According to Mao, Party members increased from 10,000 in 1927 to 300,000 in 1934 mainly as a result of the successful development of the agrarian revolution.²

SUMMARY

Mao's doctrine of land reform can be summarized as follows:

(1) The importance of land reform to the Party stems from the key role of the peasantry in the revolution. A revolutionary war is necessarily an armed struggle led by the Party and supported by the masses. The masses in a predominantly agrarian economy simply means the peasants. It is essentially an armed struggle, because "power grows out of the barrel of a gun." The Party's role is all important because it provides ideology, organization, and leadership.³ Peasant support is indispensable both as an immediate supplementary military force and as a political and economic base for growth. The device used to cement the relationships among the Party, the army, and the peasants is land reform.

(2) What makes land reform attractive to the peasants is the lopsided agrarian structure, which permits exploitation of the majority

¹ Mao, "We Must Attend to Economic Work," Selected Works, p. 119 (1933).

² Mao, "Circular of the Central Committee of the CCP on the September Meeting," Selected Works, p. 1346 (1948).

³ The peasants by themselves cannot become an independent political force. They lack the organizational skills, leadership, and a far-sighted outlook. Lin, 1961, p. 31.

of the peasants by a small number of landlords. The landlords' exploitation drove the peasants' standard of living down to the subsistence level. Poverty leads to dissidence and to strong aspirations to own land.

(3) From the standpoint of the Party, land reform is virtually costless. It establishes the peasants' faith and confidence in the Party. In return for the land, the peasants provide resources, manpower, and other logistic support. It also consolidates the Party's power in the villages by substituting the poor peasants for the local gentry in the rural power structure.

Mao's doctrine raises many conceptual and empirical questions. Particularly relevant to our study of the effectiveness of land reform are the following three sets of questions concerning the relationship between the agrarian structure and peasant dissidence:

(1) How accurate is Mao's picture of land distribution and the social structure in the villages? Was the land distribution extremely uneven, and the class conflict more acute in the Communist base areas? Was it the lopsided agrarian structure as such or its deterioration over time that generated social unrest? The landlords were a heterogeneous group. Were they all ruthless exploiters?

(2) On the relation between land tenancy and poverty, several questions are relevant: What was the level of consumption in the villages? Were there any regional differences? Was it significantly lower in areas in the Communist base areas? What are the relevant measures of poverty from the standpoint of peasant dissidence? How large a portion of the peasants' output was paid to the landlords? Was the landlords' exploitation the major cause of poverty?

(3) Regarding the relationship between poverty and peasant dissidence, there are questions relating to poverty and land hunger as motivations for change, channels of social and economic mobility in the villages, nationalism as an alternative instrument, and the role of the Party in transforming discontent into organized rebellion.

The following three sections examine these three sets of problems in turn.

III. LAND DISTRIBUTION AND THE RURAL CLASS STRUCTURE

DISTRIBUTION OF LAND OWNERSHIP

The point of departure of the Communist land reform doctrine is the high degree of concentration of land ownership in the hands of a small group of landlords. For empirical evidence, Mao pointed to the statistics given by the Wuhan Land Commission, showing that about 13 percent of the rural population owned 81 percent of the land.¹ In 1931 the Party provided a slightly different but no less extreme estimate. Landlords and rich peasants, totalling about 10 percent of the rural population, were said to own 70 percent of the land.² These figures became the standard reference in Communist documents on rural poverty, feudalistic exploitation, and land reform. They were cited in the Party's resolution on land reform in 1947, in Mao's report before the Central Committee in Shensi, and in Liu Shao-chi's report on the problems of land reform in 1950.³

Whether or not the distribution of land was as unequal as the Communists asserted is of great importance, for the attractiveness of land reform both to the peasants and to the Party depended largely on the tenancy situation prior to land reform. The pattern of land distribution reflected the degree of inequality in income distribution and the concentration of rural political power, the two major sources of social tension. The more unequal the distribution of land, the greater the likelihood of latent or overt rural discontent, and, therefore, the more potent land reform would be. Furthermore, the more unequal the land distribution, the larger the proportion of land rent in total output, and therefore the larger the amount of resources

¹ See Table 1. For convenience these figures will be referred to as Mao's estimates.

² See Table 3.

³ Central Committee of the CCP, "Resolution on Promulgation of the Outline of China's Land Reform Law," in Li and Wu, no date, p. 115; Mao, "The Present Situation and Our Tasks," Selected Works, p. 1250 (1947); Liu, 1950, p. 492.

the Party could take over directly from the landlords through land reform.

The accuracy of the Communist figures is difficult to assess, for no information on the method and sources of these estimates has been given. Moreover, no comprehensive systematic survey of land ownership in traditional China has ever been made. There are, however, at least six other estimates that can be checked against the Communist data, among them two by pro-Communist writers (Tao Chi-fu and Chen Han-seng), two by Nationalist Government organizations (Rural Rehabilitation Commission and Bureau of Statistics), one by a Soviet Communist Party official (Nikolai Ivanovich Bukharin), and one by a non-Communist scholar (Wu Wen-hui).

Table 3 compares these estimates with those given by the Communists. The comparison shows wide differences among the estimates. The percentage of land owned by landlords ranges from 26 to 62 percent of the total cultivated acreage, and that owned by poor peasants ranges from 6 to 22 percent. The variations are due to differences in the definitions of the different types of peasants, in statistical coverage, in the period in which the surveys were made, and in the quality of these estimates.¹ But despite their crudity, the comparison clearly shows that Mao and the Party grossly exaggerated the degree of inequality in land distribution. All estimates in Table 3 show less extreme distributions than Mao's or the Communist figures would have us believe. Of particular interest is a comparison between Mao's and Bukharin's figures. Bukharin estimated that the landlords accounted for 11 percent of the rural population, almost twice Mao's estimate of 6 percent, and that this group owned 36 percent of the land, considerably less than Mao's estimate of 62 percent. It is also interesting to note that Bukharin's figures were made public before the Fifteenth Conference of

¹ There are other minor complications. For instance, some estimates of population distribution are calculated in terms of number of households whereas others are in terms of number of persons. The number of persons in each household varies between the wealthy and the poor. Hence the distributions may also vary. For a brief critique of these estimates, see Wu, 1944, pp. 117-121; Chen, 1948, pp. 2-71.

Table 3
DISTRIBUTION OF LAND OWNERSHIP: EIGHT ESTIMATES
(percent)

	Rural Population				Total Acreage			
	Rich		Middle	Poor	Landlord		Middle	Poor
	Landlord	Peasant	Peasant	Peasant	Landlord	Peasant	Peasant	Peasant
(1) Mao	6	7	12	75	62	19	13	6
(2) Kiangsi Soviet	10	20	70		70		15	15
(3) Tao	4	6	20	70	50	18	15	17
(4) Chen	4	6	20	70	50	15	20	15
(5) Rural Rehabilitation Commission	4	6	20	70	46		18	18
(6) National Government	7	10	24	59	39	22	23	16
(7) Bukharin	11	15	23	49	36	25	22	15
(8) Wu	3	7	22	68	26	27	25	22

Source:

- (1) The figures were given by the Central Land Commission of the Wuhan Government, of which Mao was a member. See Table 1 abcve.
- (2) Kiangsi Soviet, "Outline of the Land Problem" quoted in Wan Ya-kang, Kung-ch'an-tang yu nung-min wen-ti (The Chinese Communist Party and the Peasant Problem), Asia Press, Hong Kong, 1956, pp. 54-55.
- (3) Estimated by Tao Chi-fu, cited in Yu Lin, "An Examination of Agricultural Production Relationships in China," Chung-kuo nung-ts'un (China's Countryside), I:5 (February 1935), p. 2.
- (4) Estimated by Chen Han-seng, cited in Tse Hsiang, "Liberate Agricultural Productivity from the Feudal Land Relationships," Ching-chi tao-pao (Economic Bulletin), Hong Keng, No. 180 (July 18, 1950), p. 11.
- (5) Hsueh, 1946, p. 24. Data cover six provinces only.
- (6) Bureau of Statistics, Directorate of Accounting, National Government, Chung-kuo tu-ti wen-ti tzu t'ung-chi feng-hsi (A Statistical Analysis of the Land Problem in China), Cheng-chung Book Store, Chung King, 1941, pp. 72-74.
- (7) and (8) Wu, 1944, pp. 119, 128.

the Soviet Communist Party in 1925, two years before Mao released his estimate. Apparently Mao and the Party had rejected Bukharin's figures in favor of their own which convey a dramatically higher degree of inequality.

The upward bias in Mao's figures can also be demonstrated by contrasting them with other figures provided by the Communists after the nationwide land reform in 1950-1952. About 700 million mow of land were said to have been distributed to the poor.¹ Total cultivated area in 1952 was reported at 1,618 million mow.² The percentage of land redistributed thus amounts to about 43 percent of the total. Included in the redistribution were lands formerly owned by clans, temples, other public organizations, and some rich peasants. According to Buck, public land accounted for about 7 percent of the total.³ Thus, landlords could not have owned more than 36 percent of the total. In the postwar period total cultivated land increased only slightly over the amount in prewar years, but the concentration of land ownership intensified over the same period, so that the percentage of land owned by the landlords in the prewar period is not likely to be higher than 36 percent, which is considerably lower than Mao's estimate of 62 percent.⁴ The statistics obtained during the nationwide land reform are probably more reliable than Mao's figures, which were not based on a survey; his figures, in all likelihood, contain a sizable upward bias.⁵

But even if we reject the Communist figures as overestimates and accept Wu's estimate, which is the lowest, the inequality is high. About

¹Liao, 1953, p. 115.

²State Statistical Bureau, 1960, p. 128.

³Buck, 1937, p. 193.

⁴For the various prewar estimates of total cultivated area, see Liu and Yeh, 1965, p. 278. For trends in the development of the tenancy system, see Chang and Wang, 1943, pp. 24-27.

⁵There seems to be no reason why the Communists should underreport the area of land distributed to the poor peasants or overreport the total cultivated area in the 1950s. On the contrary, there might have been a tendency to exaggerate the land redistributed, which is a success indicator of land reform. And the total cultivated area might be on the low side because of incomplete statistical coverage.

10 percent of the population owned more than one-half of the land, whereas 68 percent of the population had only 22 percent of the land. The rather uneven distribution is shown in Figure 2. The two Lorenz curves represent the distributions based on Mao's and Wu's data. They show the percentage of the population and the percentage of total cultivated land owned by various groups of the population. The 45 degree line represents a case of perfectly equal distribution of land ownership. Any given percentage of the rural population owns the same percentage of total cultivated land. The boundary of the closed half-plane below the 45 degree line approximates a case of perfectly unequal distribution. Virtually all population owns no land while an infinitesimal percentage owns 100 percent of the land. The greater the departure of the Lorenz curve from the 45 degree line, the more unequal the distribution of land ownership. It can be seen from Figure 2 that the Lorenz curve representing the estimates by Wu displays a pattern much less unequal than Mao's figures would imply. Nonetheless, Wu's distribution itself shows a fairly high degree of inequality.

THE RURAL CLASS STRUCTURE

A direct outgrowth of the concentration of land ownership was the social stratification of the rural population into five different classes: landlords, owner-operators, semi-tenants, tenants, and laborers.¹ In Section II above we saw that Mao painted a grim picture of the class structure in the villages where 3 percent of the population at the top were exploiting about 60 percent of the population at the bottom. The tenants and laborers, the group with the highest propensity to revolt, constituted 45 percent of the total population. The Wuhan Land Commission provided an even higher estimate of 54 percent. Was the "exploited" class really as large as the Communists believed?

Table 4 brings together five other surveys for comparison with the Communist figures. The figures in this table include only three groups of peasants: owner-operators, semi-tenants, and tenants. For

¹For definition, see Section II above.

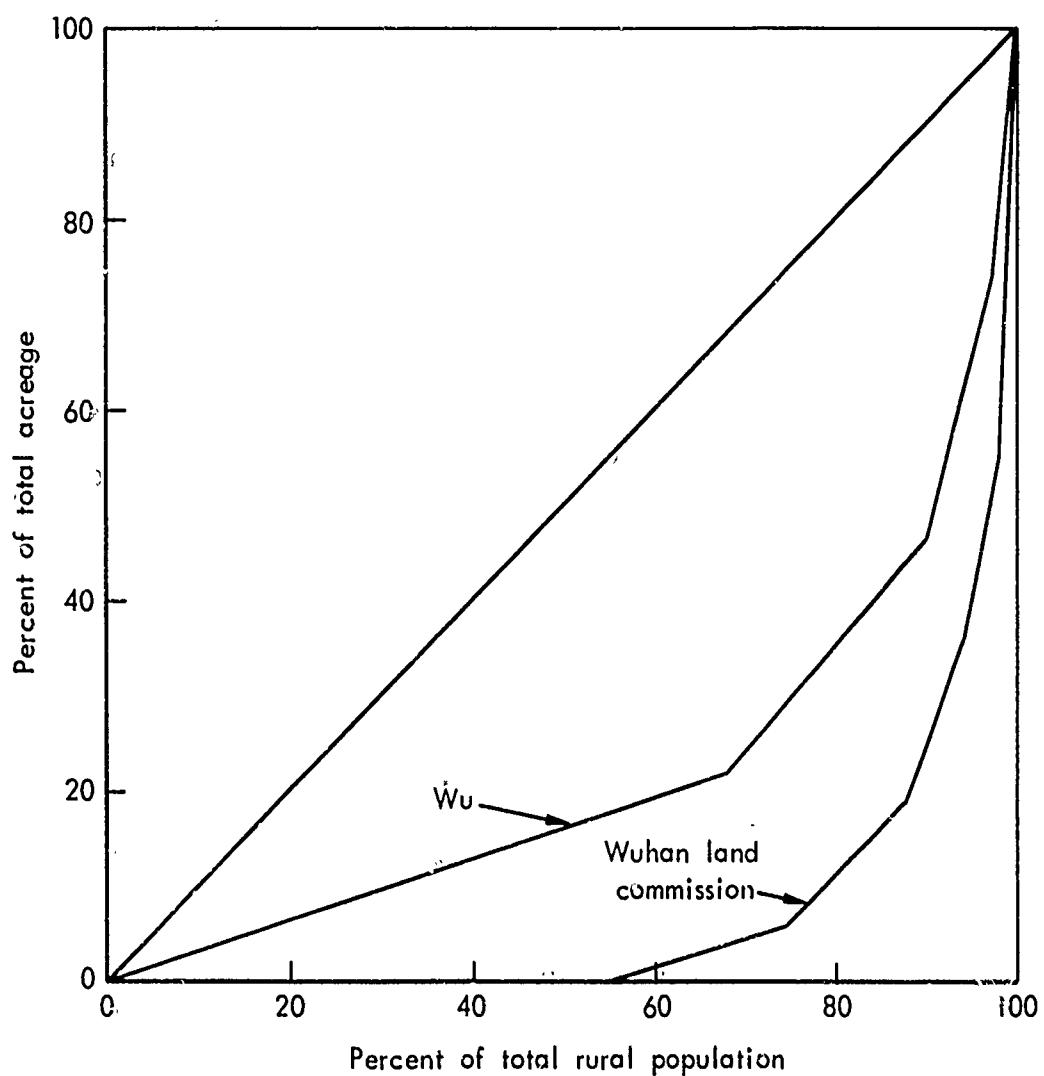


Fig. 2 — Lorenz curves showing the distribution of land ownership

Table 4

PERCENTAGE OF FARMERS BEING OWNERS, SEMI-TENANTS,
AND TENANTS^a
(percent)

	Owners	Semi- tenants	Tenants	Total
(1) Mao, 1926	39	16	45	100
(2) Wuhan Land Commission, 1927	25	21	54	100
(3) Peking Government, 1917	51	29	20	100
(4) Buck, 1921-1925	63	17	20	100
1929-1933	54	40	6	100
	54	29	17	100
	44	23	33	100
(5) Chang, 1930	43	23	34	100
(6) National Bureau of Agricultural Research, 1931	42	24	34	100
(7) National Land Commission, 1934	57	25	19	100

^aSub-items may add up to total due to rounding.

Source:

See Table 2. Small and medium-size landlords and farm laborers, both relatively small, have been included in owners and tenants respectively. (2) Central Land Commission, "Report on Land Distribution in China" reprinted in Kung-fei wor-kuo shih-liao hui-pien (Compendium of Historical Documents on Communist Theory), Taipei, 1961, p. 151. Owners include: small and medium-size landlords, and rich and middle peasants. Semi-tenants include poor peasants. Tenants include farm laborers. (3) Teing Chi-yu, An Economic Study of Chinese Agriculture, 1924, pp. 241-242. (4) Buck, 1930, p. 146; Buck, 1937, p. 196. (5) Chang, 1930, pp. 26-27. (6) Bureau of Statistics, 1942, pp. 6-7. (7) Lee, 1950, p. 29.

comparability, estimates with a different coverage have been adjusted. The estimates differ rather widely.¹ However, it seems clear that the percentage of farmers who were tenants was considerably lower than Mao's estimate of 45 percent and very much lower than the estimate by the Wuhan Land Commission. The adjusted estimate of 34 percent by the National Bureau of Agricultural Research and Buck's estimate of 33 percent based on the agricultural survey were perhaps closer to the true figure than Mao's.

So far as political implications of the tenure system are concerned, the regional pattern is perhaps more interesting than the national average, for the development of the Communist movement was highly localized. Table 5 shows the tenancy ratios of 26 provinces

¹To a certain extent the marked disparity among the estimates is due to differences in classification and methodology. Four such differences are worth mentioning. First, Buck's extremely low estimate excludes from the tenant class farmers who rented all their crop land but who owned their farmstead. Buck's second estimate of 17 percent is more comparable in scope to the others, where a farmer who rents his crop land is classified as a tenant regardless of whether or not he owns his farmstead. Second, there were biases originating in the non-random selection of samples. The estimates by the Peking Government and Chang were presumably based on nationwide surveys. Those by the National Bureau of Agricultural Research and Buck covered 20 to 22 provinces out of 28 provinces. Buck's earlier estimate was based on surveys of only 7 provinces and that by the National Land Commission was based on a survey of 16 provinces. The geographic coverages of the samples underlying Mao's and the Wuhan Land Commission estimates are not known. As will be shown, regional differences in the tenancy ratio were quite significant so that the estimates would be fairly sensitive to the geographical coverage of the sample. Third, there are methodological biases in the calculation of national averages in at least two cases. The estimates by Chang and the National Bureau are obtained by using the number of reporting counties in each province to weight the provincial data. Where the weight for a given province exceeds the percentage of that province's farm population in total farm population, the aggregate average tenancy ratio for that province will be biased upward. To correct this bias, I recalculate the national average with the number of farm households in each province as weights. The adjusted tenancy ratios turn out to be higher than the original figures. The difference in the case of Chang's estimate is especially marked. Finally, the surveys were made at different times, so some of the differences may represent changes over time.

Table 5

PERCENTAGE OF FARMERS BEING OWNERS, PART-OWNERS,
AND TENANTS, BY GEOGRAPHICAL REGION
(percent)

	Owners	Part-Owners	Tenants
Northeast	52	18	30
Heilungkiang	54	18	28
Kirin	46	17	37
Liaoning	50	19	31
Jehol	80	13	7
Chahar	36	26	38
North (Yellow River Region)	62	21	17
Hopei	67	20	13
Shantung	67	19	14
Shansi	61	21	18
Honan	56	22	22
Shensi	52	23	25
Kansu	56	20	21
Tsinghai	61	30	20
Suiyuan	53	19	28
Ninghsia	61	9	30
Central (Yangtze River Region)	32	25	43
Kiangsu	56	22	22
Anhwei	34	21	45
Chekiang	21	31	48
Kiangsi	24	30	46
Hupeh	30	30	40
Hunan	28	25	47
Szechwan	25	19	56
South	27	27	46
Fukien	27	30	40
Kwangtung	17	26	57
Kwangsi	32	28	40
Yunnan	38	27	35
Kweichow	38	23	39

Source:

The ratios for all provinces except Heilungkiang, Kirin, Liaoning, and Jehol are estimates by the National Bureau of Agricultural Research for 1931, given in Bureau of Statistics, 1942, pp. 6-7. Those for the four provinces are taken from Chang, 1930, pp. 26. The regional averages are the weighted averages of the provincial ratios, with the numbers of farm households in each province as weights. For the number of farm households, see Bureau of Statistics, 1944, p. 15 and Shen-pao Yearbook, 1935, p. B-89.

in northeast, north, central, and south China.¹ The data indicate little difference between south and central China, but marked differences between south and north China. The highest tenancy ratios are found in south and central China, where, on the average, over 40 percent of the peasants were tenants. By contrast, only 17 percent were tenants in north China. Not only was tenant farming more prevalent in central and south China, semi-tenants were also relatively more numerous. The two groups made up two-thirds of the total, as compared with one-third in north China. The situation in Manchuria lies somewhere in between.

For the majority of the provinces (18 out of 26 provinces), the tenancy ratio falls evenly over the two ranges: 16-30 percent, and 31-45 percent. At the upper extreme, it exceeds 55 percent in two southern and central provinces (Kwangtung and Szechwan), and at the lower end, it falls below 15 percent in two major northern provinces (Hopei and Shantung).

The regional variations raised two interesting questions: What caused the regional differences? Was the tenancy ratio significantly higher in areas where the Communist movement began to grow?

ORIGIN AND SPREAD OF THE TENANCY SYSTEM

Three different hypotheses have been advanced to explain the development of the tenancy system. First, Mao and others attributed the concentration of land ownership mainly to seizure of land by the politically powerful group.² Tenancy in some regions was high because of the acquisition of large tracts of land by warlords, military officers, and government officials who never intended to work the land themselves. The method of acquisition varied from direct confiscation by force to purchases with funds collected from the people through graft or taxation. Acquisition often took place in times of natural disasters when

¹For lack of information data for Sinkiang, Sikang, and Tibet have not been included. These three areas are not important agricultural areas in China.

²Mao, 1926a, pp. 23-24.

the price of land fell to low levels.¹ Numerous cases in support of Mao's thesis have been reported, mostly in regions newly open to cultivation, such as Manchuria and certain areas in Shensi;² in provinces where large tracts of public land existed, such as Chahar and Mongolia;³ in areas where many warlords ruled, such as Szechwan;⁴ and in localities where high officials in the government came, such as northern Kiangsu and Anhwei.⁵

A second hypothesis states that high tenancy resulted from the inflow of capital into land from the nonagricultural sector. According to Tawney,

occupying ownership is least prevalent in the proximity of great cities where urban capital flows into agriculture -- in the Canton delta 85 percent of the farmers, and in the neighborhood of Shanghai 95 percent, are said to be tenants — and most general in the regions little affected by modern economic developments. The provinces of Shensi, Shansi, Hopei, Shantung and Honan, where some two-thirds of the farmers are stated to be owners, are the original home of Chinese agriculture. They have been little touched by commerce and industry. The yield of the soil is too low to make it an attractive investment to the capitalist, while the farmer has not the resources to rent additional land. In the south, where the soil is more productive, agriculture yields a surplus; the commercialization of economic relations has proceeded further, and both the inducement and the ability to invest in land are accordingly greater.⁶

A comparison of the crop yields, population density, and degree of commercialization and industrial development in areas with high and low

¹Chang, 1957, III, p. 700; Wu, 1944, pp. 134-135.

²Chang, 1957, II, p. 43; III, p. 700.

³Chang, 1957, III, pp. 705-706.

⁴Wu, 1944, p. 135.

⁵Chen, 1933, p. 19; Wu, 1944, pp. 133-135.

⁶Tawney, 1932, pp. 37-38. Other proponents of this theory include: Buck, 1937, p. 196; Isaacs, 1966, p. 6. Mao also mentioned the purchase of land by merchants as another origin of the tenancy system, but considered this a minor factor. Mao, 1926a, p. 24.

tenancy in Table 6 bring out certain characteristics of the high tenancy areas that to some extent corroborate Tawney's thesis. In the rice region where a smaller proportion of the population was employed in agriculture, where irrigation was more developed, and where population density and output per man were higher, about 46 percent of total farm households were tenants, compared with 17 percent in the wheat region. A similar tabulation based on provincial data is shown in Table 7. The data support the observation based on Buck's survey.

The higher yield was important, for the return to capital invested in land depended partly on the yield. The high population density generally meant a greater demand for agricultural products on one hand and a larger supply of labor on the other. Both conditions made land investment attractive. At the same time there were generally more opportunities in commerce and industry to accumulate capital than in the stagnant agricultural sector.

Tawney's thesis, however, has two shortcomings. First, the interest rate in the rural areas was substantially higher than the return on land.¹ The inflow of capital therefore could not have been motivated by financial return alone. The social prestige of owning land in one's native village and the safety of the investment might at times be important considerations. A special case of capital inflow may be found in the two coastal provinces, Fukien and Kwangtung, from which many Chinese migrated abroad.² Those who eventually accumulated some savings purchased land in their home towns either for the purpose of acquiring social status or to support the relatives left behind. More often than not, the land the outsiders acquired was from former owner-operators. These outsiders and their relatives seldom farmed the land they bought. As a result the capital inflow increased the ratio of tenants to total farm population.

¹ Fei, 1946, p. 10.

² See, for example, the typical case of Hua hsien in Kwangtung where 20 percent of the population had migrated abroad. Chiang, 1935, pp. 61-70. See also Yang, 1959, p. 44; Chang, 1957, III, p. 720.

Table 6
TENANCY RATIOS BY AGRICULTURAL REGIONS,
22 PROVINCES, 1929-1933

Tenancy Ratio	Percent of Households in Agriculture	Population Density			Output Per Man (1,000 kg)	Percent of Crop Area Irrigated
		Per Average Mile of Crop Area (1,000)	Per Average Crop Area (1,000)	Per Average Crop Area (1,000)		
Wheat region	17	84	1.13	1.23	1.5	
Spring wheat	39	76	0.86	0.79	37	
Winter wheat-millet	16	81	1.23	1.11	10	
Winter wheat-kaoliang	12	85	1.16	1.44	10	
Rice region	46	70	1.75	1.52	69	
Szechwan rice	52	70	1.61	1.66	70	
Yangtze rice-wheat	49	72	1.36	1.36	61	
Rice-tea	49	69	1.79	1.66	78	
Double cropping rice	46	67	2.07	1.28	69	
Southwestern rice	36	71	2.64	1.83	82	

Source:

Buck, 1937, pp. 196, 232, 282, 362. Output per man refers to production per man-equivalent in thousand kilograms of grain equivalent.

Table 7

TENANCY RATIO, PERCENTAGE OF HOUSEHOLDS IN AGRICULTURE, AND
PERCENTAGE OF CROP AREA IRRIGATED, 25 PROVINCES

Region	Tenancy Ratio	Percent of households in Agriculture	Percent of Crop Area Irrigated
High nonagricultural development ^a	48	68	49
Moderate nonagricultural development ^b	29	75	23
Low nonagricultural development ^c	18	86	5

^aRegion in which percent of households engaged in agriculture is below 70 percent. The provinces include: Kwangtung, Kiangsi, Kweichow, Suiyuan, Szechwan, Hupeh, Chekiang, Hunan, and Anhwei.

^bRegion in which percent of households in agriculture is between 71 and 80 percent. The provinces include: Fukien, Yunnan, Ninghsia, Shensi, Kansu, Kwangsi, Kirin, Chahar, Heilungkiang, Kiangsu, and Jehol.

^cRegion in which percent of households in agriculture exceeds 80 percent. The provinces include: Liaoning, Shansi, Honan, Hopei, and Shantung.

Source:

The tenancy ratios for each province are taken from Table 3. The numbers of farm households in those provinces given in Bureau of Statistics, 1944, p. 15 and Shen-pao Yearbook, 1935, p. B-89, are used as weights to obtain the average tenancy ratio. For percentages of household in agriculture and percentages of crop area irrigated, see Shen-pao Yearbook, 1935, p. K-1.

The second limitation of Tawney's and, for that matter, Mao's thesis also is that they approached the tenancy problem purely from the demand side by posing the question, Who bought the land and why? Perhaps a more important question would be, Who sold the land and why? for the Chinese peasants' emotional attachment to the land was deep and no peasant would sell his land except as a last resort. It was in this context that Fei Hsiao-tung proposed an alternative hypothesis: Poverty and unfavorable circumstances drove the small owner-operators to seek short-term financial relief from the usurers and eventually to compulsory sale of their land to the lenders.¹ Partly because of their low productivity and partly because of population pressure, the per capita income of the average owner-operator was not very high relative to the subsistence level. In the event of a sharp drop in income due to such hazards as natural disasters, an abrupt increase in taxes, or a decline in farm prices, the peasant could hardly balance his budget. Not infrequently he was forced to go into debt in order to finance large expenses on special occasions such as weddings and funerals. The interest rate being exorbitantly high and the peasant's income unstable, the likelihood of a default was usually rather great. When the peasant could not repay his debt, the title of his land went to the lender and he became a tenant. Such cases have been reported in Wuhsi and Wu-chin, Kiangsu; in Wu-hsin, Chekiang; in Kwang-teh, Anhwei; and in Kwangtung.²

To sum up, the tenancy ratio tended to go up when political power, or long term capital, or short term credit moved into the villages. Because of the diverse natural, social, and economic conditions in various parts of China, it is not surprising that no single hypothesis can adequately explain the roots of the tenancy system. Thus Mao's theory of political seizure contains elements of truth where some parts of China were concerned; Tawney's and Fei's theses are more appropriate in explaining the spread of the tenancy system in such regions as the Yangtze and the Pearl River delta. The essential point here is that rural poverty and the tenancy system could be mutually

¹ Fei, 1939, p. 183.

² Chang, 1957, III, pp. 690-691, 701; Chen, 1936, p. 96.

reinforcing instead of having a one-way causal relationship as Mao implied.

TRENDS IN FARM TENANCY

Were there any discernible trends in the distribution of land ownership or in the tenancy ratio during the 1920s and 1930s? The question is of some significance, for changes in the agrarian structure might well generate more tension, discontent, and unrest than a stable system. In Mao's view, the rural situation in the 1920s and 1930s was not static. The general tendency in the countryside was toward greater poverty. "Owing to the twofold oppression of imperialism and feudalism, and especially to the all-out offensive of Japanese imperialism, the broad masses of the Chinese people, particularly the peasants, have become more and more impoverished and have gone bankrupt in large numbers."¹ Since a basic premise in Mao's poverty thesis was that the tenancy system was the primary cause of rural poverty, his statement implies a trend toward concentration of land ownership and a rise in the tenancy ratio.

The limited statistics available seem to corroborate Mao's view. Surveys of four counties in Kwangtung and Kwangsi show that the percentage of total acreage cultivated by owners declined during the period 1928-1929 to 1933-1934.² The decline was especially noticeable in the more highly commercialized localities. Changes in the tenancy ratio also indicate a rising trend, as shown in Table 8. The increase in the tenancy ratio was accompanied by a decline in the percentage of owner-operators with no change in the percentage of the semi-tenants. During the same period, total farm population probably was also growing so that in absolute terms the tenants increased more rapidly than changes in the tenancy ratio would indicate. Another point worth noting is that, as Table 9 shows, the magnitude of the change in the tenancy ratio apparently

¹Mao, "The Chinese Revolution and the CCP," Selected Works, p. 625 (1939). See also CKNM, No. 1, 1926, pp. 26-27.

²The four counties were Tsangwu, Kweilin, and Unszu in Kwangsi and Panyu in Kwangtung. The data are given in Wu, 1944, pp. 131-132.

Table 8

PERCENTAGE OF FARM HOUSEHOLDS BEING OWNERS, SEMI-TENANTS,
AND TENANTS, 1905-1940

	Owners	Semi-Tenants	Tenants
(1) 22 provinces			
1912	49	23	28
1931	46	23	31
1940	37	27	36
(2) 4 provinces			
1913	34	27	39
1923	32	27	41
1934	31	27	42
(3) Kiangsu, 3 counties			
1905	35	21	44
1914	23	23	54
1924	22	22	56
(4) Kwangsi, 3 counties			
1929	51	21	28
1934	47	23	30
(5) Shansi			
1930	72	15	13
1933	60	22	18

Source:

- (1) Survey by the National Bureau of Agricultural Research cited in Wu, 1944, pp. 145-146. Data for 1940 are based on survey of 15 provinces only. (2) Survey by Nanking University cited in Wu, 1944, p. 145. The four provinces were Honan, Hupei, Chekiang and Kiangsi.
- (3) Estimated by Chiao Chi-ming cited in Yen *et al.*, 1955, p. 276.
- (4) Hsueh Yu-lin and Liu Jui-sheng, "Survey of the Agrarian Economy in Kwangsi," *Chung-kuo nung-ts'un* (China's Villages), I:1, October 1934, p. 63. (5) Pi Jen-yung, "The Agrarian Economy in Shansi and Its Dis-integration," same journal, I:7, April 1935, p. 60.

Table 9

PERCENTAGE OF POOR PEASANTS AND FARM LABORERS
IN TOTAL RURAL POPULATION, 1928-1933

	1928	1933	Change	Characteristics
Shensi				
Funghsian	79.9	87.3	+7.4	10 km from railroad
Weinan	55.9	62.7	+6.8	on railroad
Suiteh	74.3	79.8	+5.5	200 km from railroad
Honan				
Hsuehchang	64.2	68.2	+4.0	on railroad
Huihsien	55.2	58.0	+2.8	10 km from railroad
Chunping	59.9	60.8	+0.9	200 km from railroad
Kiangsu				
Chitung	50.8	57.8	+7.0	50 km from Shanghai
Changsu	60.1	65.6	+5.5	75 km from Shanghai
Yencheng	35.7	37.6	+1.9	150 km from railroad
Chekiang				
Lungyu	50.5	56.9	+6.4	on railroad
Chunteh	61.7	67.9	+6.2	5 km from railroad
Yungchia	75.8	76.4	+0.6	150 km from railroad
Tungyang	61.6	59.5	-2.1	15 km from railroad
Kwangtung				
Panyu	49.2	51.6	+2.4	on Pearl River
Kwangsi				
Changwu	77.1	80.6	+3.5	on Pearl River
Kweilin	67.9	68.5	+0.6	on railroad
Sze-an	69.1	69.0	-0.1	100 km from railroad

Source:

Yen et al., 1955, p. 265.

varied positively with the extent of commercialization of the locality.

THE LANDLORD AS THE EXPLOITING CLASS

The diverse origin of the tenure system suggests that the landlords were not a homogeneous group. The purpose and method of acquiring land differed, and the degree of "exploitation" was likely to vary among different types of landlords. It will be useful to distinguish the various groups and to pose the question whether the typical landlord played the rôle of the villain as the Communist doctrine implied.

One can differentiate the various types of landlords according to four different criteria. First, there were institutional landlords as distinguished from individual landlords. In certain parts of China, various types of collective ownership of land existed, such as land owned by clans, religious organizations, or schools. Communist writers have condemned the institutional owners partly because they earned an income without contributing any labor and therefore were exploiters by definition, and partly because the system of collective ownership by the clan tended to perpetuate the social dichotomy between the landed and landless, since by tradition the clan land could not be sold.¹

However, even if one accepts the Marxist definition of exploitation, the clan as a collective landlord was less exploitative than most individual landlords. Clan land was often rented to clan members at nominal rates.² The tenants usually did not have to contribute labor services to the landlord which tenants of individually owned land were often obligated to provide. Moreover, the system was not without stabilizing effects. The clan land was essentially a trust fund set up by some powerful and wealthy members of the clan. The rental income from the land was generally used to provide for sacrificial ceremonies and other activities connected with ancestral worship,

¹Pan and Chuan, 1952, pp. 97-98.

²Yang, 1959, p. 43; Fei, 1947, p. 18; Pan and Chuan, 1952, pp. 92-94.

to finance the schooling of the young and to support welfare and relief of the old and disabled members of the clan, whereas any such use of the rental income of individual landlords would be only incidental. As a social institution, clan land helped to reduce the tension created by the unequal distribution of income among the clan members. It also tended to slow down the process of land fragmentation that usually resulted from the traditional equal-share inheritance of private land. The size of the institutional land was relatively small, about 7 percent of the total cultivated area.¹ So far as peasant dissidence was concerned, the institutional landlords were of little significance.

Among the individual landowners one can distinguish between the large landlords who owned 100 mow (16.5 acres) or more and the small landlords who owned less than 100 mow. The dividing line is set at 100 mow because almost all surveys of land ownership adopted it as the class limit for the landlords at the upper end of the distribution. According to the Wuhan Land Commission, about 5 percent of the landowners were large landlords.² A survey by the Nationalist Government in 1932 shows a total of fewer than 2 percent being large landlords.³ The regions with more large landlords were mostly the northern provinces, such as Shansi, Shensi, and Kansu, and the outlying provinces, such as Tsinghai, Chahar, and Suiyuan. Regardless of which estimate was more reliable, it seems clear that large landlords were relatively few. An overwhelmingly large proportion of the land owners were small owners with less than 100 mow. There was no distinct landed class comparable to the landed aristocracy in England, the Junkers in Germany, or the Pomeshchik in Russia in their pre-industrialization days.

Landlords can be further classified into absentee and resident landlords. In general there were no close personal ties between absentee landlords and tenants. The absentee landlords had less concern about the tenants' livelihood. Since the landlords' only interest was to collect the rent, the relationship between the two groups was

¹Buck, 1937, p. 193.

²Kuomintang, 1964, p. 151.

³Bureau of Statistics, 1941, p. 74.

purely financial. The possibility of class conflicts presumably was higher than in the case of resident landlords. According to a field study of 12 provinces by the National Agricultural Promotion Commission in 1941, 27.4 percent of the landlords were absentees.¹ A separate survey of four provinces shows a rather close figure of 26 percent.² This means that landlords in China were mostly resident landlords. There were, however, exceptions in certain localities. For instance, absentee landlords constituted two-thirds of the total in K'unshian, Kiangsu, and in Ya-an, Szechang.³ In general, absentee landlords were also the large landlords.⁴ Some lived away from the farm because they had nonagricultural occupations. Others preferred the higher standard of living in the cities. Still others took refuge in the cities because of the breakdown of law and order in the countryside.⁵ Thus there were more absentee landlords in the neighborhood of large cities and in areas where land ownership was concentrated and there was bandit activity.

A closely related problem was the distinction between managing and non-managing landlords. The former were resident landlords who hired labor to work their farms under their own management. In areas where labor was cheap and rents were relatively low, such as some villages in Yunnan, more landlords managed their land.⁶ For China as a whole, however, managing landlords were relatively few, as evidenced by the small proportion of farm households being hired labor. Only 10 percent of the rural population were farm laborers.⁷ The percentage was slightly higher in the Yellow River region and lower in the Pearl

¹"Report of National Agricultural Promotion Commission," Special Series, No. 2, 1942, pp. 10-11, quoted in Ho, 1951, p. 9.

²The four provinces were Honan, Hupeh, Anhwei, and Fukien. Chang and Wang, 1943, p. 124.

³Wu, 1944, p. 116.

⁴Ibid.

⁵Fei and Chang, 1945, p. 227.

⁶Fei, 1947, pp. 12-18.

⁷Yen, 1955, p. 263.

River and Yangtze River regions. Possibly, the high rent made it relatively unattractive to manage the farm oneself.

Among the non-managing landlords, those who lived entirely on income from the land again were relatively few. They were the widows, aged, those who migrated abroad, and the gentry. According to a survey of the large landlords in Kiangsu, about one-fourth had no other professions. The other three-fourths consisted of bureaucrats and military officers (44 percent), money lenders (35 percent), merchants (18 percent), and industrialists (3 percent).¹ Other studies also show that the large absentee landlords were mostly the politically powerful group, and that the small resident landlords were mostly engaged in money lending or were connected with the local administration.²

To sum up, the typical landlord was a small, non-managing resident landlord who, more often than not, was also a money lender. Was this what the Communists posed as the enemy of the revolution? There can be no simple answer to this question, because the Communists had no consistent definition of who should be the primary targets of the revolution. In his analysis of the various classes in the countryside, Mao distinguished between the large and small landlords, the criterion being whether they owned more than or less than 500 mow of land.³ According to Mao's estimate, the large landlords constituted about one-seventh of the total. All large landlords were exploiters. They collected heavy rent from the tenants, high interest from the borrowers, and "surplus value" from the hired laborers. In addition, the large landlords further exploited the peasants by imposing surtaxes and by profiteering when they collected taxes from the peasants. Mao considered the large landlords "the deadliest enemy of the peasants, the real rulers of the countryside, the true foundation of the imperialists and warlords, the only stronghold of the feudal society, and the

¹ Wu, 1944, p. 116.

² Ibid., p. 117; Chang, 1957, Vol. III, pp. 366, 370-373, 378-381; Chen, 1933, pp. 19-20; Fried, 1953, p. 16; Agrarian China, pp. 9, 45.

³ CKNM, No. 1, 1926, pp. 23-26.

ultimate cause of all reactionary forces."¹ The small landlords he classified as semi-revolutionaries, some of which could even become allies of the revolutionaries.

In 1927, however, when the peasant movements reached a peak, Mao was reported to have turned more radical and charged that "all land-owners were oppressors," implying that all landlords, big or small, plus the owner-operators should be regarded as targets of the revolution.² The all embracing target reflected a typical Maoist approach to many problems. In his own words, "To right a wrong, it is necessary to exceed the proper limits."³ Thus Mao often deliberately pushed his policies to the extreme. In the present case, Mao wanted to accelerate the momentum of the peasant movement. He therefore urged the peasants to "wage political struggles more vigorously until the power of the landlords was completely overthrown."⁴ In this tumultuous struggle he would not hesitate to attack all landowners.

Mao's definition of the target of the revolution was obviously too sweeping to be useful in designing a land reform program. Subsequently the Wuhan Land Commission, of which Mao was a member, defined a landlord as one who owned 50 mow of fertile land or 100 mow of poor land. In April 1927, the Fifth Party Congress of the CCP accepted Mao's earlier definition of large landlord.⁵ But by now Mao considered the criterion of 500 mow inadequate and impractical.⁶ He proposed to lower the limit to 30 mow. During the Nanchang Uprising in August 1927, the Communists set the limit at 200 mow.⁷ All these criteria were of little significance because thus far the CCP had no opportunity to carry out any land reform.

¹Ibid., p. 24.

²KMT, 1964, I, p. 145.

³Mao, "Report on the Investigation of the Peasant Movement in Hunan," Selected Works, p. 19 (1927).

⁴Ibid., p. 25.

⁵Yeh, 1969, pp. 73, 80.

⁶Snow, 1961, p. 162.

⁷Yeh, 1969, pp. 81, 89.

It was not until a base was established in Chingkangshan that Mao provided a more specific classification of the peasantry for the purpose of land reform. According to Mao,

A landlord is a person who owns land, who does not engage in labor himself or merely takes part in labor as a supplementary source of income, and who lives by exploiting the peasants. The landlord's exploitation chiefly assumes the form of collecting land rent; besides that, he may also lend money, hire labor, or engage in industrial or commercial enterprise. But his exaction of land rent from the peasants is the principal form of his exploitation. Administering communal properties and collecting school rent also belong to the category of exploitation by land rent.¹

In brief, any land owner who did not till the land and received rental income was the enemy of the revolution and to be liquidated. Conceptually Mao's classification comes close to the Marxian definition of an exploiter as one who receives non-labor income.

Clearly the group to be liquidated was almost all inclusive. It would appear that Mao's target was much too broad, and unjustly so, because the typical landlord was a small resident landlord. In reality, the typical landlord was not merely a land owner but he was a financier and a powerful figure in the local political structure. He might well be an exploiter in money lending if not as a landlord. The concentration of political and economic power in the hands of the landlords has been described in a community study of Hsu hsien, Kiangsu:

The political bureaucracy is largely made up of members of landlord families and this has had great effect on the history of China. It has profound influence on the social organization of the town and particularly of the county seat. The correlation of office and landownership is highest in the upper brackets of government service. On the hsien level, the landlord-bureaucrat group includes magistrates, secretaries, bureau (k'ou) heads, and the leaders of county districts. The correlation falls sharply with lower clerks, heads of population units (pao and hu), and vanishes at the level of policemen, servants, and attendants.²

¹Mao, "How to Analyze the Classes in the Rural Areas," Selected Works, p. 121 (1933). School rent refers to rent from the land owned by educational institutions.

²Fried, 1953, p. 16.

Such interlocking of political and economic power was a common phenomenon in many parts of China.¹

Because of their close connection with the administration both at the village level and the center, the landlords' power in determining and enforcing the terms of tenancy would be very great. In the event of a dispute over the distribution of gains between the two groups, the landlords often abused their power to further the interests of their group. Many community studies and reports have recorded the high-handedness of the landlords in dealing with the tenants.² Elsewhere we have noted how the military men of the Wuhan regime ruthlessly suppressed the peasant movements that threatened to overthrow the local power structure closely related to the military group.³ Thus, political oppression of the tenants by the landlords might become a source of discontent among the peasants.

The close relationship between the landlords and the officials had another major implication. Any institutional change affecting the landlord class would affect those with political power. Strong resistance was therefore to be expected where such changes would have adverse effects on the landlords' interests. For this reason, the Communists recognized that land reform necessarily involved a political struggle to overhaul the local power structure.

FARM TENANCY IN COMMUNIST-CONTROLLED AREAS

Was the tenancy ratio significantly higher in the Communist-controlled than other areas in the 1930s? The limited data available permit only rather crude comparisons. During the period 1927-1934, the Communists established bases in 10 of the 25 provinces.⁴ Table 10 shows a ranking of these 25 provinces by their tenancy ratios. It can

¹For other specific cases, see Yeh, 1969.

²See for example, Fried, 1953, pp. 18-19; Fei, 1939, pp. 189-190; Chang, 1957, p. 384.

³See Yeh, 1969, p. 83.

⁴See Table 10 for the list of the 10 provinces.

Table 10

RANKING OF PROVINCES BY TENANCY RATIO IN COMMUNIST-CONTROLLED
AND OTHER AREAS, 1930S
(percent)

	Communist- Controlled	Other
Kwangtung	57	-
Szechwan	56	-
Chekiang	-	48
Hunan	47	-
Kiangsi	46	-
Anhwei	45	-
Fukien	40	-
Hupeh	40	-
Kwangsi	40	-
Kweichow	-	39
Chahar	-	38
Kirin	-	37
Yunnan	-	35
Liaoning	-	31
Ninghsia	-	30
Suiyuan	-	28
Heilungkiang	-	28
Shensi	25	-
Honan	22	-
Kiangsu	-	22
Kansu	-	21
Shansi	-	18
Shantung	-	14
Hopei	-	13
Jehol	-	7
Average	43	24

Source:

See Table 5.

be seen that all but two of the Communist-controlled provinces had tenancy ratios higher than the median (35 percent), and all but four of the "other" provinces rank below the median. The mean for the 10 Communist-controlled provinces was 43 percent, markedly higher than the 24 percent for the 15 non-controlled provinces.¹ However, because there may be wide variations in tenancy ratios within provinces, the positive relationship based on the provincial data must be interpreted with care.

Table 11 compares the tenancy ratios in the Communist-controlled counties and the provincial average for the provinces where Communist bases had been established. Unfortunately the available information is scanty. In three cases (Fukien, Szechwan, and Kwangtung) data are available for only one county. Of the six provinces for which three or more observations are available, the tenancy ratios in the Communist-controlled counties were higher than the provincial average in five provinces, and only in one province it was lower. Although the differences are not significantly great, the results do confirm an interesting observation by Hofheinz: it was not the absolute level of the tenancy percentage but its intensity relative to the immediately surrounding counties that contributed to Communist influence.²

A third comparison can be made between the tenancy ratios of five areas under various degrees of Communist influence in Kiangsi and the eastern part of Hunan. The areas fall into three groups: (1) where most or all counties were completely controlled by the Communists, (2) where most or all counties were partly controlled or under some influence of the Communists, and (3) where most or all counties were not under

¹ Using the same data, one can set up a contingency table showing tenants and non-tenants in Communist-controlled and other areas. A chi square test can then be applied. The result shows that the hypothesis of independence between the two principles of classification at a significant level of 0.01 must be rejected. In short, the association of a high tenancy ratio with the geographical location of Communist bases appears to be more than a matter of chance.

² Hofheinz, 1969, pp. 61-62.

Table 11
TENANCY RATIOS IN COMMUNIST-CONTROLLED COUNTIES,
NINE PROVINCES, 1930S

	Number of Communist Controlled Counties	Sample Size	Tenancy Ratio (percent)	
			Controlled Counties	Provincial Average
Total				
Kiangsi	38	5	47	46
Shensi	18	3	29	25
Hunan	17	6	47	47
Fukien	14	1	80	40
Szechwan	13	1	54	56
Hupeh	11	6	42	40
Kwangsi	11	5	32	40
Anhwei	6	4	47	45
Kwangtung	2	1	55	57

Source:

The list of counties occupied by the Communists is taken from Wang Chien-min, Chung-kuo kung-chan-tang shih-kao (A Draft History of the Chinese Communist Party), Taipei, 1965, Vol. I, p. 574, Vol. II, pp. 190, 220, 238, 249, 254-256, 261, 264-265, 327. The tenancy ratios of the infested counties are from: Buck, 1937, Statistics Volume, pp. 57-59; Ministry of Industry, National Government, Chung-kuo ching-chi nien-chien (Chinese Economic Yearbook), Vol. III, Nanking, 1936, pp. G: 15-16, 19-21, 23, 32, and Chung-kuo ching-chi nien-chien hsu-pien (Addendum to Chinese Economic Yearbook), Nanking, 1935, pp. G: 21, 25, 27, 30, 32, 42; Peng Pai, "Report on the Peasant Movement in Hai-feng," Chung-kuo nung-min (China's Peasantry), Canton, No. 1, 1926, p. 63. The average tenancy ratios for the 9 provinces are taken from Table 6.

Communist influence.¹ The tenancy ratios of these three groups were as follows:²

	<u>Tenancy Ratio</u> (percent)
Communist-controlled areas	
Eastern Hunan	82.1
Southern Kiangsi	78.1
Areas under partial Communist control	
Western Kiangsi	35.6
Eastern Kiangsi	39.5
Areas not under Communist control	
Northern Kiangsi	19.9

To sum up, the rather crude tests suggest a positive correlation between tenancy ratio and Communist control. The findings contradicts those of the studies. For example, Hofheinz has shown negative relationships between areas of unequal land distribution and areas where the Communist movement blossomed.³ But, as in the present case, Hofheinz' findings are far from conclusive.⁴

¹ For the list of counties in each of the five areas and the relative degree of Communist influence see Wang, 1935, pp. 4 and 27.

² Wang, 1935, p. 6.

³ Hofheinz, 1969, pp. 57-60.

⁴ Hofheinz' conclusion is based on three comparisons: an international comparison of the degree of equality of land ownership, ranking of the provinces by indicators of "equal share percentage," and a comparison of the equal share percentages with Hofheinz' own Communist influence rank for three counties in north Kiangsu. The international comparison is not relevant, for the average degree of inequality for the nation as a whole has little meaning where localized Communist movements are concerned. Moreover, the Chinese peasant is not likely to judge his well being or grievances with reference to the position of peasants in a different country. Hofheinz' second comparison, as he himself correctly points out, is subject to the limitation that provincial data might obscure relationships within a province. The third comparison shows that the equal share percentages 83, 80, and 78 percent respectively, for the three counties with influence rank in the ascending order. Like the second comparison, the differences in the degree of inequality, a maximum range of 5 percentage points for three rather high figures, are relatively small. Since the data are imprecise and therefore the margin of error is likely to be large, the question remains open whether the relatively small differences were due more to statistical errors or to differences in the degree of inequality. In any event, this conclusion is diametrically opposite to two other observations by Hofheinz: that tenancy appears to be correlated rather highly with land maldistribution, and that counties ranked highest in Communist influence appear to have a higher tenancy rate than the surrounding counties.

One of the main reasons why no firm conclusions can be drawn from such tests is that the relationships are often obscured by the presence of third factors. In Mao's view, three major elements are important to the survival and growth of a Communist base: a local population with good revolution potential, a terrain favorable to military operations, and adequate economic capacity for self-support.¹ A high tenancy ratio contributes to the revolutionary potential, but it is not a sufficient condition by itself. This may explain why Communist influence was minimal in some areas with very high tenancy ratios such as the regions surrounding the cities. The high tenancy ratio becomes important only when the other conditions are satisfied. Thus Communist influence was often strongest in relatively high tenancy areas in the remote, rather sparsely populated border districts on the boundary of two or more provinces.²

Even if a positive correlation can be established, the interpretation of the relationship remains a problem. Mao's explanation is as follows: high tenancy caused poverty; and poverty caused a gap between aspirations and reality which laid the foundation for a peasant revolution. We turn now to the first part of Mao's hypothesis.

¹ Mao, "The Struggle in Chingkangshan," Selected Works, p. 59 (1928). Two other conditions were mentioned: a first rate Party organization and a Red Army of adequate strength.

² Hoefheinz, 1969, pp. 61-62.

IV. THE TENANCY SYSTEM AND RURAL POVERTY

The proposition that landlords' exploitation of the tenants was the primary cause of rural poverty raises three broad problems. First, were the tenants significantly poorer than non-tenants? Second, what are the theoretical basis and empirical evidence that the tenancy system caused poverty? Third, to the extent that the tenancy system did contribute to rural poverty, was it the only cause, and if not, what was its significance relative to other factors? This section discusses these problems in turn.

ECONOMIC STATUS OF THE TENANTS

One of Mao's basic observation on the agrarian situation is the abysmal poverty of the tenant farmers.¹ Implicitly he measures poverty in terms of two different criteria. The first is the tenant's actual level of consumption relative to the subsistence level. A peasant is poor if his consumption does not exceed the subsistence level. In his view, the tenants' net incomes from the land were inadequate to meet the needs for a minimum livelihood. About half of them were fortunate enough to make up the deficit with earnings from subsidiary occupations. The other half survived by going into debt. Mao leaves the subsistence level undefined. Presumably he refers to the level accepted by the peasants as the minimum necessary to maintain their physical capacities.

A second criterion is the tenant's economic status relative to other groups. Mao places the tenants and the farm laborers at the very bottom of the income ladder. The tenants were hardly any better off than the farm laborers but were politically far more significant because they were a much larger group.

Were the tenants' actual consumption levels no higher than the subsistence level? Any statistical verification of Mao's proposition is necessarily rough. This is because the minimum physiological requirement is difficult to establish, particularly as a single aggregate

¹Mao, 1926a, p. 28; Selected Works, p. 22 (1927).

measure, since it depends on many factors such as the age composition of the population, the level of physical activity, and the climate. Moreover, the available data on actual living conditions are scanty and subject to considerable margins of error. But despite these difficulties, some estimates of the orders of magnitude are still useful to indicate how poor the tenants were.

One measure of the subsistence level is the minimum annual income required for a family of a given size to sustain itself. Two such standards have been suggested. Tayler estimated that a family of five would require an annual income of 150 yuan, presumably at prices of 1923.¹ Dittmer estimated 100 yuan, presumably at 1917 prices, for a family of the same size.² For comparison with the actual level of living, these estimates are converted to 1933 prices, 141 and 128 yuan, respectively.³ For the present purpose, an average of 135 yuan, or 27 yuan per person, is used.

Table 12 compares the fragmentary data on per capita consumption and farm income of tenant households available and the average minimum level established by Tayler and Dittmer.⁴ It should be noted that the minimum standard refers to the average income requirement whereas the actual levels are based on community studies at a given time so that both the harvest conditions and differences between the average prices and prices in the individual localities may affect the comparison. For this reason the figure based on Buck's larger sample over a period of years is probably more meaningful than the others. The comparison shows clearly that levels of consumption and farm income were rather close to the poverty line if not actually below it. According to Buck, the

¹C. B. Malone and J. B. Tayler, The Study of the Chinese Rural Economy, China International Famine Relief Commission Publication Series B, No. 10, Peking, 1924, cited in Mallory, 1926, p. 9.

²Dittmer, 1918, pp. 107-128.

³The price deflator used here is the average price index of prices received by farmers based on 3 series given in Ministry of Industries, 1935b, p. 57.

⁴Farm income is defined here as total gross income from farming less farm expenses and rent.

Table 12

PER CAPITA CONSUMPTION AND FARM INCOME OF TENANT
HOUSEHOLDS, 1920S AND 1930S
(at 1933 prices)

	Family Size (number)	Total (yuan)	Per Capita (yuan/person)
<u>Consumption:</u>			
(1) Chulin, Kwangsi, 1933	5.4	171	32
(2) Lankou, Chekiang, 1933	5.7	139	24
(3) Chekiang, 1934	4.0	135	34
(4) Wuyi, Chekiang, 1934	4.0	112	28
(5) Southern Kiangsu, 1933	5.0	183	37
<u>Farm Income:</u>			
(6) Hsianghu, Chekiang, 1934	5.3	133	25
(7) Seven provinces, 1921-1925	4.2	101	24

Source:

(1), (2): Ou, 1947, pp. 154, 158. (3), (4), (5): Ministry of Industry, 1935a, pp. 121, 136, 142. (6): Wu, 1944, p. 200. (7): Buck, 1930, pp. 70, 80, 148, 151; Buck, 1937, p. 368. Buck's figure (114 yuan) has been deflated by the same price index used to obtain the subsistence estimate in 1933 prices.

percentage of net farm income from other than farm sources for small and medium farms were 21 and 14 percent respectively.¹ Even if we add a 20 percent supplementary income from non-farm sources to Buck's farm income, this would raise the total to just about the poverty line.

To compare the tenants' economic status with that of non-tenants, three sets of indicators are used: (1) size of farm, percentage of farms with "adequate" farm tools, percentage of farms with draft animals, family size; (2) disposable income, percentage of households in debt; (3) distribution of consumption, value of farm buildings, percentage of farmers having no education, and percentage of adults married. The first relates to the productive capacity of the two groups, the second to their financial resources, and the third to their general standard of living. A comparison of these indicators for tenants, part-owners, and owners is shown in Table 13.

Perhaps the most important single determinant of the peasants' economic status is the size of the land he cultivated. According to Buck's finding as shown in Table 12, the tenants had smaller farms than the part-owners or owners. Buck's data also show two interesting features. First, the tenant farm was considerably larger in the north than in the south. One possible explanation is that the yields were lower and industries and commerce were less developed in the north so that about the only way for the tenant to make a minimum living was to rent a larger piece of land. In fact, in the winter wheat-kaoliang region in Buck's study, and in Shansi according to the survey by the Ministry of Industry, the average tenant farm was actually larger than the owner farm.² But these are apparently exceptional cases.³ Another

¹Buck, 1937, p. 299.

²Buck, 1937, p. 197; Bureau of Statistics, 1942, p. 99.

³Because of variations in the individual localities, surveys based on limited samples might turn out different findings. Two such cases deserve mention. A study of the tenancy system in Honan, Hupeh, Anhwei, and Kiangsi by the Nanking University shows that the tenants had larger farms. Chiao, 1944, p. 262. Buck's earlier survey of 11 localities in 7 provinces in 1921-1925 indicates no clearcut distinction in size of farm between owners, part-owners, and tenants; Buck, 1930, p. 150. Buck's second survey is believed more reliable partly because the sample was

Table 13

RELATIVE ECONOMIC STATUS OF TENANTS, PART-OWNERS, AND OWNERS OF FARMS

Economic Factors	Tenants	Part-owners		Owners
		Part-owners	Owners	
(1) Size of farm (acres)	3.56	4.25	4.22	
Wheat region	5.06	5.56	5.56	
Rice region	2.74	3.29	3.19	
(2) Percentage of farms with adequate farm tools				
Four provinces	64.0	-	81.0	
Sikang	38.0	45.0	64.0	
(3) Percentage of farms with draft animals	66.0	-	87.0	
(4) Family size	4.76	5.68	5.38	
Adult equivalent per family	1.36	1.75	1.62	
Adult equivalent per acre	0.26	0.24	0.26	
(5) Disposable income (yuan)				
Hsianghu, Chekiang; Yuliang, Kiangsu, 1935	174.80	-	227.64	
Yulin, Kwangsi, 1933	145.41	200.38	293.99	
Seven provinces, 1921-1925	113.97	235.18	269.18	
Per capita disposable income, seven provinces	23.94	41.40	50.03	
(6) Percentage of households in debt				
Hsianghu, Chekiang; Yuliang, Kiangsu	96.0	-	52.0	
Lankou, Chekiang	78.0	65.0	43.0	
Amount of debt per household (yuan)				
Hsianghu, Chekiang; Yuliang, Kiangsu;	146.0	-	43.0	
Lankou, Chekiang	78.0	111.0	58.0	
(7) Distribution of consumption (percent)				
Food	68.9	64.6	62.0	
Clothing	4.8	5.1	5.6	
Housing	3.0	4.2	4.6	
Fuel	11.8	10.0	8.6	
Miscellaneous	11.5	16.0	19.1	
(8) Value of farm buildings (yuan)				
Average, 7 provinces, 1921-1925	107.0	224.0	243.0	
Average, 4 provinces, 1935	143.0	-	242.0	
Number of rooms				
Average, 4 provinces	5.0	-	6.0	
Lankou, Chekiang	3.0	5.0	6.0	
(9) Percentage of farmers having no education	65.6	54.3	44.8	
North China	53.1	64.3	49.1	
South China	73.8	46.1	40.1	
(10) Percentage of adults married	73.0	87.0	93.0	
Sex ratio (number of males per 100 females)	119.6	107.0	109.9	

- Indicates not available.

Sources:

Line (1): Buck, 1937, p. 197.

Line (2): Bureau of Statistics, 1942, p. 101; Wu, 1944, p. 198.

Line (3): Bureau of Statistics, 1942, p. 101.

Line (4): Buck, 1937, p. 368. The adult equivalent is obtained by multiplying family size by the ratio of adult equivalent to family size for small and medium farms respectively given on p. 279.

Line (5): Wu, 1944, p. 200; Chen, 1964, pp. 3-7; Buck, 1930, pp. 67, 69-70, 78-80. Buck's figures have been adjusted to exclude expenses on family labor and cash rent and to include total rent estimated at 40.5 percent of total receipts given in Buck, 1950, p. 148. Total rent paid by part-owners is further reduced by 57.6 percent, the latter being the ratio of land owned to total land farmed by the part-owner given in Buck, 1937, p. 197.

Line (6): Wu, 1944, p. 201.

Line (7): Average of data for five localities: Wuchin, Kiangsu; Su, Anhwei; Lankou, Chekiang; Yulin, Kwangsi; Ting Hsien, Hopei. The data are taken from: Buck, 1930, p. 419; Wu, 1944, p. 204; Ou, 1947, Vol. 1, p. 158; Gamble, 1954, pp. 89 and 118. Data for Kiangning, Kiangsu, and Lienkiang, Fukien given in Buck, 1930, have not been used because they show extremely low percentages of expenditures on food for the tenants -- 47 and 54 percent -- which seem most unlikely to be true. Data for Ting Hsien are for three income groups but correspond to the incomes of the three types of farmers.

Line (8): Buck, 1930, pp. 59-60; Bureau of Statistics, 1942, p. 101; Wu, 1944, p. 204.

Line (9): Buck, 1930, p. 407.

Line (10): Bureau of Statistics, 1944, p. 124; Chang and Wang, 1943, p. 41.

interesting feature is that the difference in size between the tenant farm and the owner farm was relatively larger in the south than in the north. This may be more clearly seen in the comparison of the two types of farms in three northern provinces and four southern provinces based on the survey by the Ministry of Industry. In the south, the most common owner farm was 1.9 times larger than the tenant farm, whereas its counterpart in the north was only 0.7 times larger.¹ These regional variations may have some implications on the peasant's relative status. To the extent that tenants with smaller land holdings were more conscious of the difference in farm size than those with larger holdings, and to the extent that the tenants were more conscious of relative than absolute differences between their and the owners' farm size, the tenants in the south were worse off than those in the north.

Not only was the tenant farm smaller than those of owners and part-owners, it was generally more fragmented. Thus on the average, the tenant's farm land was further away from his farmstead than in the case of part-owners and owners.² This was because the tenant generally rented his land from several landlords. The fragmentation of farm land into a number of small plots made it more difficult for the tenant to farm his land efficiently because of time consumed in moving to and from the plots, a larger percentage of his land taken up by boundaries, and greater difficulty in irrigating and protecting his crops.

Table 12 also shows the percentage of each group of farms possessing "adequate" farm tools based on a survey of 52 counties in four provinces. About one-third of the tenants did not have adequate equipment, compared with one-fifth of the owners. In other localities such

much larger and partly because several other surveys corroborated Buck's findings. The latter include a comparison of the land holdings of owners and tenants in 152 counties in 8 provinces by the Ministry of Industry, a community study of Lankou, Chekiang by the University of Chekiang, and a survey of villages in Sikang by Wu. See Ministry of Industry, 1935a, pp. G: 109-113; Wu, 1944, p. 197.

¹Bureau of Statistics, 1942, p. 99.

²Chang and Wang, 1943, p. 30.

as Lankou, Chekiang and Sikang, the relatively unfavorable position of the tenant was also evident.¹

As in the case of farm equipment, there were more tenant farms than owner farms with no draft animals. By and large, the relative shortage of draft animals among the tenants was more acute in the south than in the north. For instance, in Lankou, Chekiang, there was one draft animal for every three tenant farms, compared with almost one animal per tenant farm in Honan.² Possibly the larger farms and shorter growing seasons in the north made it necessary to have more animal power per farm.

The average size of the tenant family is the lowest in the group, but the available manpower per acre is about the same as in other farms. The smaller family size suggests a lower economic capacity since most rural families had already reached the maximum number the farm could support.³

A more tangible indicator of the peasant's relative economic position is his disposable income compared with those of the part-owner and owners. Disposable income is defined here as total gross receipts from farm and non-farm activities, less operating expenses, taxes, and rent. Rough estimates of disposable income of the three types of farm households are shown in Table 12. They are based on surveys in various regions over different periods. Since we are interested only in the relative income of different groups rather than regional differences or changes over time, the rather wide variations within the same group do not concern us. All three surveys show that the tenant household's income was very much below that of the part-owner or the owner. Even on a per capita basis, the tenant's income was less than one-half that of the owner.

One indirect measure of the peasant's financial position is the state of his indebtedness. The Chinese peasant borrowed largely to

¹Wu, 1944, pp. 198-199.

²Bureau of Statistics, 1942, p. 101.

³Buck, 1937, p. 371.

finance daily consumption or for special occasions such as weddings and funerals. Buck estimated that 76 percent of total farm credit was for such non-productive purposes.¹ Thus being in debt is generally a sign of financial difficulty. Table 12 shows that there were relatively more tenants in debt than part-owners or owners and that, on the average, the tenant was more heavily in debt than the others.²

To compare the relative standard of living of the three types of peasants, Table 12 shows the percentage distribution of their consumption expenditures by five categories: food, clothing, housing, fuel, and miscellaneous. The most significant indication of the tenant's lower standard of living is the higher percentage of expenditures on food, the basic necessity, and a considerably lower percentage for miscellaneous, which includes luxury items such as education, medical care, and entertainment. As may be expected, the percentages of clothing and housing increase, while that of fuel declines, as we move up the income ladder, suggesting an income elasticity of greater than unity in the former case and less than unity in the latter.

Several other measures of the peasants' relative well-being are available. A contrast of the value of the farm buildings of the three types of farmers shows that the tenant's house was of a much lower value than those of part-owners and owners. The tenant's house had fewer rooms and the value per room was smaller.

The tenant's lower income and smaller percentage of expenditures on miscellaneous are also reflected in the higher percentage of tenant households having no education. About two-thirds of the tenants surveyed by Buck in 1921-1925 had no education, compared with about 45 percent of the owners. Among those with education, the tenants had about 2.9 years of schooling compared with the owner's 4.3 years.³ Another survey shows

¹Buck, 1937, p. 462.

²Note, however, Buck's observation that "a study of 1,077 farms in five provinces revealed that the indebtedness of tenants is one-third smaller than for farmers who own their land." Buck, 1949, p. 96.

³Buck, 1930, p. 407.

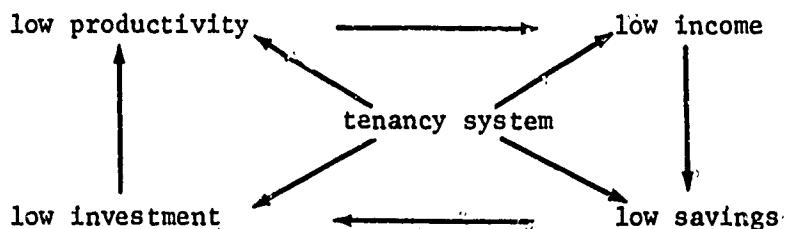
that only 24 percent of the tenants' children of school age attended primary schools whereas the owners sent 40 percent of their children to schools.¹

Mainly because their income was lower, fewer tenants could afford to get married and raise a family. Thus only 73 percent of the adults on the tenant farms were married, compared with 93 percent on the owner farms. The ratio of males to females was also markedly higher than for part-owners or owners, possibly because of higher female mortality rates particularly for the lower age groups, which in turn were related to the tenants' meager income.

To sum up, all the indicators tend to confirm Mao's observation that, by and large, the tenants were extremely poor, whether we define poverty in terms of the tenant's income and living standards relative to some subsistence level or in terms of the tenant's relative economic status.

THE TENANCY SYSTEM AND PRODUCTIVITY

What caused the widespread poverty among the peasants? As Mao saw it, the tenancy system was the root cause.² Mao's ideas can best be summarized in terms of a vicious circle of poverty and the role of the tenancy system in creating and perpetuating the circle:



The tenant's productivity was low because he had little working or fixed capital.³ Low productivity resulted in low income per capita.

¹Wu, 1944, p. 206.

²Mao, "The Chinese Revolution and the Chinese Communist Party," Selected Works, pp. 624-625 (1939). See also Liu, 1950, p. 493.

³Mao, 1926a, p. 28.

which in turn reduced the supply of savings. The lack of savings set a limit to capital formation, thus completing the vicious circle.

The vicious circle need not have existed or would not have been so vicious were it not for the tenancy system which affected the tenant's income in the following ways: First, because the land belonged to the landlords, the tenant had no incentive to improve the land.¹ The lack of inducement to invest would thus lower the volume of investment. Second, while there were ways to raise output by increasing labor input with a minimum of investment, such as better seed selection, more diligent weeding, and improved planting techniques, the tenant was not motivated to increase productivity because a large portion of the increase in output would not be his. Third, the landlord charged exorbitant rents. About 50-80 percent of the peasant's output went to the landlord.² With a small output and a large share of it siphoned off, the tenant was left with a meager income that could hardly support his family. In times of financial need he had to borrow from the money-lenders who, more often than not, were the landlords. This provided another channel through which the landlords exploited the tenants. The interest rate being very high, somewhere between 36 and 84 percent per annum, whatever savings the tenant might generate in a good harvest, a sizable part of it fell into the hands of the landlord in the form of interest and loan payments.³ In sum, the economic consequences of the tenancy system had two major aspects: a productivity problem caused by the tenants' lack of incentive, and a distribution problem caused by the landlords' ruthless exploitation.

The idea that the tenancy system had adverse effects on productivity is not new. More elaborate arguments than those of Mao have been advanced.⁴ It seems useful to review these arguments briefly in order to place Mao's ideas in a proper perspective. Land tenancy is said to affect

¹ Mao, "Our Economic Policy," Selected Works, p. 126 (1934).

² Mao, 1926a, p. 24.

³ Ibid.

⁴ Schickele, 1941, pp. 185-207; Heady, 1947, pp. 659-678; Raup, 1963, pp. 1-21; United Nations, 1951; Koo, 1968, pp. 63-77.

productivity (per acre or per man) adversely through its impact on (1) the tenant's labor input, (2) capital formation, (3) technical innovation, and (4) the efficient use of land.

(1) The standard argument against the tenancy system is that it blunts the tenant's incentive to exert his maximum effort. To put it another way, a tenant is said to work less hard than an owner-operator. Theoretically there is no a priori reason to expect this to be so. The negative incentive effect follows only under certain assumptions. To begin with, the question of incentive arises only in the case of share rent. Under this renting system, the tenant and the landlord share in proportion to the annual produce of the land. The income of the owner-operator consists of two parts: property income attributable to him as a land owner, and labor income attributable to him as a farmer. A change in the status of the peasant from owner-operator to tenant will affect his effort only if his share of labor income is changed. Assume that his labor income is now reduced so that his implicit wage rate is lower than before. The effect on the peasant's effort of a reduction in wage rate can be considered under two different circumstances: The first possible case is that of a backward sloping supply curve of labor. This is not a trivial case because it could occur at income levels below the subsistence level when the peasant would work whatever hours he needed to survive (assuming no other employment opportunities), or it could occur at some range of income levels above the subsistence level where more leisure is relatively more important to the peasant than additional income. Under such circumstances, a reduction in the peasant's wage rate (or, what amounts to the same thing, an increase in share rent), would increase his work effort. The second case is that of an upward sloping supply curve of labor when a lowering of the wage rate would reduce the peasant's work effort.¹

¹The effect is similar to that of a proportional tax. For a formal analysis of the latter, which is applicable to the present case, see Cooper, 1952. For a diagrammatic exposition, see Musgrave, 1959, pp. 232-238. I do not consider the extreme case where the supply curve of labor is infinitely inelastic.

In arguing that the tenancy system has a negative effect on work effort, Mao implicitly assumes that share rent was the most important renting system in China, and that the peasant's income was above the subsistence level but below the level where the peasant's labor supply curve began to turn upward.

(2) The tenancy system is said to reduce the level of capital formation because the tenants have neither the incentive nor the means to invest, and because the landlords' incomes are generally not used to improve agricultural production.¹ The tenant's incentive to invest depends on the costs and returns to his investment. Three factors affect this relationship: the form of rent, security of tenure, and compensation for land improvement at the end of the tenure. Fixed rents do not affect the calculation of costs and returns, for only marginal sums are relevant. Under the share rent system, the marginal return from a given investment is equal to the increment in output less a proportion of this increment, the proportion being the share agreed upon in the contract. The higher the share, the lower the net return to the tenant's investment. To put it another way, if rent is set at one-half the output, the tenant would have to invest twice as much as an owner to increase his income by the same amount.² Other things being equal, an owner would have a stronger inducement to invest than a tenant having to pay a share rent.

Turning to cost considerations, one may distinguish two types of investments: those that require mostly labor input (generally known as direct investment or investment in kind), and those that require mostly capital outlays.³ In the former case, what has been said about the

¹ Lewis, 1955, pp. 122-123; Warriner, 1957, p. 7; United Nations, 1951, p. 5.

² If rent is fixed at r percent of total output, then the amount of tenant's investment required would equal $1/(1-r)$ times the investment by the owner. Since $0 < r < 1$, $1/(1-r) > 1$. The ratio will be larger, the higher the rent.

³ The distinction is for the convenience of discussion only. In reality, the dividing line cannot be so clearcut, although there are types of investments that can be undertaken with almost no capital, such as digging ditches, and investment with virtually no labor, such as purchase of a piece of equipment.

effect of share rent on work effort also applies. There is, however, an additional consideration. Labor requirements on the farm are highly seasonal. During the slack season, the tenant's labor may be a free good. If he cannot find employment elsewhere, he may be motivated to invest in kind as long as the marginal returns from such investments are positive, even though a large portion of the increment in output is taken away as rent.¹

Where capital outlays are more important than labor cost, the magnitude of the marginal returns to the tenant will be a major consideration, because the opportunity cost of such outlays is generally very high. Unless the return from investment in land improvement exceeds the returns from other investment opportunities, such as short-term lending, the tenant is not likely to put his capital in land improvement. The share of rent on the increment of output is one major factor that determines the marginal returns to the tenant. Clearly the higher the share the lower the return and the less attractive the investment in land improvement.²

Because there is usually a time lag between investment and output, and because the resulting output generally comes in successive streams over a period of years, the tenant will not invest unless he has some assurance of continuance of tenure. Insecurity therefore tends to discourage investment.³ The effect, however, can be offset by the

¹ Again, it is assumed here that the tenant's labor supply curve is sloping upward.

² Let r be the share of output paid to the landlord, i the interest rate, w the wage rate, and X, K, L the amount of output, capital, and labor respectively. The net income of the tenant will be: $(1-r)X - iK - wL$. Maximize the tenant's income with respect to capital, subject to the production function $X = f(K, L)$. The necessary condition for maximum return is: $(1-r)f'_k = i$, where f'_k is the marginal productivity of capital. For the owner-cultivator, $r = 0$. He will employ capital to the point where the marginal productivity of capital equals the interest rate. For the tenant, $r > 0$. He will employ less capital than the owner-cultivator in order to raise f'_k to the point where the marginal product to the tenant equals the interest rate.

³ In fact, the tenant may disinvest by over-cropping and thus lower the fertility of the soil if the likelihood of being evicted in the near future is very high.

landlord's agreement to compensate for all improvements in case of dispossession.

Quite apart from the question of incentive, the tenant may not have the resources to invest even if he is so motivated. His income being low relative to the subsistence level, his capacity to save is also low. Unlike the owner-cultivator who can use his land as collateral for a loan, the tenant's capability to finance investment through credit is limited. On the other hand, the landlords, whose incomes are much higher than the tenants', are more likely to spend on consumption, to purchase more land, or to lend their savings than to improve the land leased to the tenants.

(3) The tenancy system may affect productivity adversely by lowering the tenants' income and thus reducing their ability to assume the risk in innovation. The reason is explained by Lewis as follows:

The more secure one's economic foundation is, the more one can afford to risk. Thus a rich farmer can try out new seeds extensively, without knowing how well they stand up to conditions of drought or flood or other agricultural risks. But farmers who live near the level of subsistence are extremely reluctant to give up seeds which they knew will give some yield in many varied conditions, however poor this yield may be on the average, since they simply cannot run the risk that the new seed, however bountiful on the average, may in one year fail, and reduce them to famine.¹

An important assumption underlying this whole argument is that rent reduces the tenant's income to the brink of hunger but not beyond it. If the tenant's income is driven below the poverty line, he may be more willing to take a chance than those more fortunate, since he could not be much worse off than he is already.

(4) Another unfavorable effect of the tenancy system is that it results in smaller farms and fragmentation of the land. The landlord would prefer breaking up a piece of land into small plots and renting them to several tenants because by so doing he can spread the risk of not being able to collect. As a result, the tenant's farm is relatively

¹Lewis, 1955, p. 48.

small and scattered about. Small farms generally have the advantage of making more intensive use of the scarcest factor, land. But the farm, as an economic unit, has economies of scale. Whether or not the tenancy system causes inefficiency depends on whether it reduces the farm size to a point below the optimum size. The impact of fragmentation, however, is clear. It causes waste in many ways. A lot of time is wasted in travelling from one plot to another and in moving the input and output to and from the field. Plots lying far apart make it more difficult to supervise, to irrigate, and to protect the crops. More land is wasted in boundaries. More disputes over water rights are likely.

Although the tenancy system clearly lowers productivity through its effect on fragmentation of the land, there is no a priori reason to expect it to affect work effort, investment, and technology adversely. The result depends on a variety of factors including the renting systems, the relevant range of income of the tenant, security of tenancy, the interest rate, and the size of the tenant's farm. Whether or not the tenancy system in China reduced the peasants' output is not a matter that can be settled on a priori grounds. One must turn to empirical evidence.

Was productivity per acre and per man lower in a tenant than in an owner farm in traditional China? Buck's survey of seven provinces in 1921-1925 shows that "contrary to the prevailing opinion that tenants do not farm as well as owners, a classification according to yields (per acre) by different types of tenure shows no significant variation in yields for most localities, and for the few in which a difference does occur, it is in favor of the tenant or part-owner as often as for the owner."¹ Buck further compares the number of mow of different crops raised in a year per man in the three types of farms to contrast labor efficiency, and finds no significant difference for most localities where the size of farms were the same for the three types of tenancy.² However, "a few localities do show a tendency for greater efficiency on tenant farms as measured by the number of crop mow per man and since in

¹Buck, 1930, p. 156.

²Ibid., p. 157.

these particular localities the size of the farm is even smaller, it is probably a measure of greater labor efficiency." Buck therefore concludes that "the tenants, in general, are better farmers than the owners."¹

In a later survey, Buck does not address himself to this question. However, based on his survey the following comparison can be made:²

	<u>Tenant</u> (kg of grain equivalent)	<u>Owner</u>
Output per acre	646	640
Output per man-equivalent	1,691	1,667

Again one finds no significant difference in productivity per acre or productivity per man-equivalent between the tenants and the owner-operators.

To be sure, there were negative forces at work. But some were apparently less important than one might have expected. The renting system is perhaps one such factor. The principal types of rent were: share rent, cash rent, and cash crop. Under the share rent arrangement, the tenant pays a fixed proportion of his produce to the landlord. Cash rent requires the payment of a fixed amount of money. Cash crop is a form of rent payable in an exact amount of crop or its money equivalent. Table 14 shows the percentage of farms having the specified renting system and percentage of farmers being tenants by regions. Two observations are suggested by the table. First, share rent was the least common renting system in China. About one-fifth of the farms had such an arrangement, compared with more than 50 percent of the farms having the cash crop system. Second, it is less important in the rice region than in the wheat region. Only 14 percent of the tenant farms in the rice region adopted the share rent system. By contrast, 33 percent of those in the wheat region adopted the system. However, an overwhelmingly large proportion (82 percent) of all the tenants lived

¹Ibid.

²Output per acre is derived from data on size of farm by ownership, and the relationship between farm size and output, given in Buck, 1937, pp. 197, 279. The number of adult-equivalent is taken from Table 13.

Table 14
THE RENTING SYSTEMS, SIZE OF FARM, AND DISTRIBUTION OF TENANTS, BY REGIONS

Region	Renting System ^a (percent of farms)			Size of Farm (acres)			Percent of Total Tenants	
	Cash		Crop	Tenant	Part- owner			
	Share	Cash						
China - total	22	25	51	3.56	4.25	4.22	100	
Wheat region	33	31	33	5.06	5.56	5.56	18	
Rice region	14	20	65	2.74	3.29	3.19	82	
Wheat region areas								
Spring wheat	31	27	39	4.27	7.01	8.40	4	
Winter wheat, millet	13	30	56	3.19	4.30	4.17	4	
Winter wheat, kaoliang	44	34	18	6.40	5.73	5.34	10	
Rice region areas								
Yangtze rice, wheat	13	20	66	3.36	3.83	3.95	16	
Rice, tea	10	16	71	2.07	2.62	2.57	22	
Szechwan rice	5	28	67	3.24	4.64	3.41	24	
Double cropping rice	12	33	55	2.05	2.42	2.59	11	
Southwestern rice	30	15	55	2.30	2.89	2.57	9	

^aThe percentages of farms having the three types of rents do not necessarily add up to 100 percent because a very small percentage of farms in some regions had other renting systems.

Source:

Buck, 1937, pp. 196-198, and 362.

in the rice region. This means that, even if the share rent system had a disincentive effect, it affected only a rather small percentage of the tenants.

As noted earlier, the tenant farms were generally smaller in size and more fragmented than the owner farms. Table 14 also shows that this is true for all but one region. According to Buck, the most economic-sized farms were those with about 13 acres.¹ This means that the sizes of the typical owner farm (4.22 acres) and tenant farm (3.56 acres) were considerably less than the optimum. The smaller tenant farm was presumably more uneconomical than the owner farm. However, the difference in the size of the two is rather small. In the rice region the tenant farm was 14 percent smaller than the owner farm, and in the wheat region it was only 9 percent smaller.

Whether or not the average tenant farm had less capital per man-equivalent than an owner farm is not clear. By and large, the owner farms were better equipped with farm tools and draft animals.² Buck's earlier survey shows that the owner and the tenant had about the same amount of capital in livestock and equipment.³ One possible reconciliation of the two findings is that the tenant in general had to earn an additional income from subsidiary work such as hog raising and handicraft work. Livestock and equipment in Buck's earlier survey could have included livestock other than draft animals and tools for subsidiary work. There are various reports on the lack of incentive and ability to invest that corroborate the general impression of a tenant farm having a smaller capital stock. In many localities, tenants failed to invest or adopt better techniques because they had no incentive or financial means to invest.⁴

As pointed out earlier, one major factor affecting the tenant's incentive to improve the land is the security of tenancy. In China,

¹Buck, 1937, p. 287.

²See Table 13.

³Buck, 1930, pp. 59-60.

⁴Chang, 1957, III, pp. 278-281.

three types of arrangements existed: permanent tenancy, tenancy with a specified term, and that with unspecified term. The first provided maximum security and the second limited security. The last arrangement was the most insecure from the standpoint of the tenant because he could be evicted at short notice. According to an investigation by the National Land Commission, 71 percent of the contracts were of the unspecified type, 21 percent had permanent tenancy, and 8 percent had tenancy mostly of 3 years or less.¹ Unspecified tenancy was most common in such provinces as Shensi, Shantung, Honan, Hupen, Hunan, Fukien, Kiangsi, Kwangtung and Kwangsi. Since unspecified tenancy tended to discourage investment, one might expect most tenants in China to refrain from investing in the land.

But although total capital stock in the tenant farm was smaller, the farm size and labor per farm were also smaller so that the differences in capital per acre and capital per labor unit may not be so great as to affect productivity significantly. On the other hand, it may be recalled that per capita income of the tenant was close to the subsistence level. As the struggle for economic survival became more intense the tenant might have been motivated to work harder. Although the tenants had few financial resources, their labor supply was relatively adequate. The number of man-equivalent per acre in a tenant farm was no less than that in an owner farm.² Thus the tenants might have exerted a greater effort to compensate for the lack of capital or the diseconomies of scale. As Buck explains it: "Very often farmers who have inherited property but have little education do not feel the need of exerting themselves for a living and naturally farm less well than tenants who have to do their utmost in order to make a living."³ The observation seem warranted by the fact that the sown acreage per man was larger in a tenant than an owner farm.⁴

¹Wu, 1944, pp. 157-159.

²See Table 13.

³Buck, 1930, pp. 157-158.

⁴In seven of the eight localities surveyed by Buck, where data for both tenant and owner farms are available, the sown acreage per man (or crop mow per man) in the tenant farm was higher. Ibid., p. 152.

The conclusion that emerges from the foregoing discussion is that there is no evidence of lower productivity in a tenant farm. This finding seems plausible, considering the relative unimportance of the share rent system, the small differences in farm size and capital per man between tenant and owner farms, and the greater work effort of the tenants. The relative poverty of the tenants, therefore, cannot be explained in terms of their relative productivity.

THE BURDEN OF RENT

To measure the burden of rent that the tenants had to bear, Table 15 shows the share of rent in gross farm output under the three main renting systems in traditional China based on surveys of 23 provinces in 1930 by the National Government.¹ The data in this table refer to arrangements where the tenants provided their own seed, farm tools, and draft animals. Output refers to the annual output of staple grains of each locality. Several observations are suggested by the table. First, on the average, rent absorbed about 46 percent of the tenant's output. Buck's survey of 11 localities in 6 provinces suggests a fairly close estimate of 41 percent.²

Second, the rate of rent varies with the grade of land. Except in the case of cash rent, the better the quality of the land, the higher the rate. The rates for irrigated land are also higher than those for non-irrigated land. Apparently the differences reflect to some extent the relative productivity of the soil.

Third, variations between the rates of different renting systems are relatively small. However, the ranking of the rates forms a

¹ For lack of data, the rate of cash rent can only be approximated. However, the cash rent was the least common among the three systems constituting only 21 percent of all cases so that the crudeness of this measure would not seriously affect our observations.

² Buck, 1930, p. 148. As Tawney points out, Buck's figures relate to districts in which commercialization of land tenancy has proceeded less far than in other parts of these provinces. This may explain partly why Buck's average is lower. Another possible reason for the difference is that the denominator in Buck's estimate is total receipts, which may include the value of both the main crop and by-products.

Table 15

AMOUNT OF RENT IN TOTAL OUTPUT, 1930
(percent)

	Share Rent	Crop Rent	Cash Rent
Irrigated land			
Top grade	51.5	46.3	42.3
Medium grade	48.0	46.2	46.4
Low grade	44.9	45.8	49.3
Non-irrigated land			
Top grade	47.8	45.3	43.2
Medium grade	45.3	44.6	44.8
Low grade	43.6	41.4	49.3

Source:

The percentages for share rent and crop rent are the averages for 23 provinces given in Bureau of Statistics, 1942, pp. 76-77. Those for cash rent are calculated by multiplying the percentages of cash rent in total value of land by the ratio of the percentage of crop rent in total output to the percentage of cash rent in total value of land. Ibid., pp. 76-77, 82-83.

definite pattern: In general, the rates of share rent are the highest, followed by crop rent, and those of cash rent are the lowest. The reason for the differential is not difficult to find. In the case of share rent, the landlord shared some risk of crop failure. Thus, part of the rent represented premiums for the risk-taking. In areas where floods or droughts were frequent, the share crop system was more prevalent. On the other hand, cash rents were generally collected on fertile land in highly commercialized areas. The risks of non-payment were lower. Also, the landlords, usually absentee landlords or institutional landlords, generally were willing to accept a slightly lower rate for the convenience in collecting and storing cash rent. The majority of the landlords were small local landlords who preferred the crop rent.

The foregoing discussions of the characteristics of the different renting systems explain the prevalence of the various forms of rent in different provinces. Share rents were the most important in Suiyuan, Honan, Shantung, and Kweichow.¹ These are either poor agricultural areas or regions in that part of the Yellow River Basin where floods occurred frequently. The rates for medium grade land were highest in Kweichow (54 percent) and Honan (50 percent).² The crop rent system was most widely adopted in 16 provinces: Kiangsi, Hunan, Chekiang, Kwangsi, Yunan, Shensi, Hupeh, Kwangtung, Szechwan, Fukien, Chahar, Chinghai, Kansu, Shansi, Kiangsu, and Anhwei. Among these provinces, the highest rates were found in Szechwan (65 percent), Kwangtung (59 percent) and Hunan (55 percent). These are the most fertile agricultural provinces in China. The lowest rates are found in Kwangsi (34 percent) and Hupeh (36 percent). Cash rent was predominant in Ninghsia and Hopei. In the highly commercialized districts or the newly reclaimed areas, such as Kiangsu, Shansi, Chekiang, Szechwan, and Suiyuan, cash rent was also fairly important. The rates were relatively higher in Suiyuan and Shansi and lowest in Kiangsu and Hopei.

¹ For relative importance of the different renting systems in 22 provinces, see Wu, 1944, pp. 168-170.

² Bureau of Statistics, 1942, pp. 76, 79.

Was the rate higher in the Communist-controlled areas than in other localities? Data for the individual localities in Chingkangshan are not available. However, it is interesting to note that in Kiangsi, Fukien, Kwangtung, and Hunan, on the border of the region in which Mao established his base, the rent per mow of average land was noticeably higher than the average for the 22 provinces, as the following data show:¹

	Rent Per Mow of Average Land (yuan)		
	Share Rent	Crop Rent	Cash Rent
National Average	4.6	4.2	3.6
Kiangsi	6.7	3.3	3.5
Hunan	7.2	4.4	4.4
Fukien	6.0	5.7	5.1
Kwangtung	6.1	7.5	6.7

The only exceptions are the crop rent and cash rent in Kiangsi. However, these are probably not significant, because in the mountainous regions of Chingkangshan, crop rent and cash rent were in all likelihood less important than share rent.

The discussions so far are related to conditions in the late 1920s and early 1930s. Fragmentary information on changes in rent over time suggests that in the two decades prior to 1927 when Mao retreated to Chingkangshan, the tenant's burden probably had been increasing. In the period between 1905 and 1924, crop rent in five localities in Kiangsu and Anhwei increased by 172 to 196 percent, share rent by 146 to 172 percent, and cash rent by 53 to 216 percent.² It does not seem likely that crop yields had increased just as fast over the same period.³ An increase in rent in Kwangtung was also reported.⁴

¹Ibid., p. 79.

²Wu, 1944, pp. 181-182.

³Grain yields in Kiangsu and Anhwei hardly increased at all during 1851-1957. Perkins, 1969, p. 19.

⁴Wu, 1944, p. 183.

The rate of rent as a measure of the tenant's burden is imprecise in one important respect. In addition to rent, the landlord usually extracted from the tenant the following contributions. First, the tenant had to work for the landlord for a number of days annually without compensation or with only meals provided.¹ The landlord generally made use of such free labor on special social occasions such as weddings or funerals, or for repair of houses and construction. Second, the tenants were often obligated to contribute farm produce, such as poultry, eggs, and fruits, together with the payment of rent and also during festivals.² Third, in some areas, the tenants were required to pay rent in advance or to pay a sum of money as deposit.³ The latter was quite common, and the amount was by no means negligible, the average being almost 4 times the annual rent.⁴ Interest on the prepaid rent and on the deposit belonged to the landlord. Finally, the landlord sometimes extracted additional output from the tenant through price manipulation. In some areas the rent is fixed at a given amount of grain but payable in cash. The cash equivalent depended on the price. The landlord usually collected rent at a time when the market price was highest or set a conversion rate higher than the market price.⁵ For these reasons, the burden of the tenant was actually heavier than Table 15 indicates.

Was the average rent of 50 percent or more a fair one? Alternatively, were the tenants being exploited? Mao's answer is definitely yes. Some students of the Chinese economy concurred.⁶ Others were

¹Bureau of Statistics, 1942, pp. 70-72.

²Wu, 1944, p. 184.

³Ibid., pp. 171-172, 180.

⁴The average deposit was 15.8 yuan per mow. Wu, 1944, p. 172. The average rent was 4.2 yuan per mow. Bureau of Statistics, 1942, pp. 43, 63-65.

⁵Wu, 1944, pp. 170-171.

⁶"The rents have been raised from time to time till the cultivators have been reduced to a state of abject poverty," in China Branch of the Royal Asiatic Society, "Tenure of Land in China and the Condition of the Rural Population," cited in Tawney, 1932, p. 65.

less affirmative. Fei Hsiao-tung, for example, concluded that "in coastal China tenancy is inevitably a system of exploitation of the peasants, while in the interior this is not necessarily true."¹ Tawney considered the evils of over-renting less serious than the peasants' exploitation by the money lender.² The diversity of opinion was due of course, to the different definitions of exploitation.

The Marxist theory of value states that only labor creates value, and therefore exploitation exists whenever the peasant receives anything less than the entire output. In this sense, the tenancy system is intrinsically exploitative, for rent by nature is non-labor income. The Marxist view is clearly untenable because there are other factors of production besides labor. A more appropriate definition is that exploitation takes place when the rate of payment to any factor is less than the value of its marginal product. Operationally this definition is difficult to apply, for the measurement of marginal product presents complicated problems. For lack of a better alternative, one may use Buck's concept of fair rent as a rough guideline to measure exploitation. Buck defines fair rent as one that results in the division of output between tenant and landlord in the proportion in which each contributes to the expenses.³ On the basis of a survey of 501 tenant farms in five provinces in 1921-1924, Buck concludes that actual rent exceeds the fair rent by 28 percent.⁴ A study of land rent in Hunan, Hupeh, Anhwei, and Kiangsi in 1934-1935 using Buck's method shows that actual rent was 44 percent higher than the fair rent.⁵ If these figures are taken as a first approximation, the landlord's share of output should not exceed 35-39 percent of total output. In short, the tenant's burden of about 50 percent of output was substantially heavier than it should have been. If the special contributions to the landlords

¹Fei and Chang, 1945, p. 77.

²Tawney, 1932, p. 67.

³Buck, 1930, p. 160.

⁴Buck, 1930, pp. 159-166.

⁵Chiao, 1944, pp. 255-256.

were added to the regular payment of rent, the extent of "exploitation" would be even greater.

From the standpoint of the tenants, the relevant question is: after paying rent and other additional levies, is there enough for the household to live on? A rough estimate of the distribution of the gross income and outlays of an average tenant can be made as follows:¹

<u>(in kg of grain equivalent)</u>	
Farm output	2,300
Other income	644
Total income	2,944
Material inputs	221
Gross value added	2,723
Rent	920
Miscellaneous payments	62
Net income	1,741
Net income per person	366

To survive, a per capita consumption of 350 kg of grain would be required.² It can be seen that the margin of an average tenant's net income over the subsistence requirement was rather slim indeed.

¹ Gross farm output of an average tenant farm can be approximated by using the relationship between output and the size of farm, and the average size of the tenant farm given in Buck, 1937, pp. 197, 279. According to Buck, 1930, p. 70, the ratio of non-farm to farm income was 28 percent. Material input (building and repairs, tools and repairs, fertilizers, feed and seed) accounted for 7.5 percent of gross farm receipts. Buck, 1930, pp. 70, 80. Rent amounted to 40 percent of the tenant's gross farm income; Buck, 1930, p. 148. Miscellaneous payments amounted to 2.1 percent of farm receipts; Buck, 1930, pp. 70, 80. For the size of tenant family, see Buck, 1937, p. 368.

² The minimum standard is derived as follows: Colin Clark estimates that the minimum grain requirement per person in North China was 200 kg. Clark, 1957, p. 324. The average for China as a whole is obtained by multiplying Clark's figure by the ratio of average calorie intake per person in China to that in the wheat region given in Buck, 1937, p. 407. According to Buck, grain provided 83.1 percent of total calorie supply. Food requirement per person is calculated at $206/0.831 = 248$ kg. This figure comes close to another estimate based on Fei and Chang, 1945, pp. 51, 158; Fei, 1944, p. 157; Yang, 1959, p. 54; Buck, 1937, p. 407; Shen, 1951, p. 378. Food accounted for about 70 percent of the tenant's budget. See Table 14. Total consumption requirement per person is therefore $248/0.7 = 354$ kg. of grain.

The implications of such a situation for revolutionary policy are twofold: First, the very fact that a large share of output had been taken from the tenants indicated the existence of a sizable "agricultural surplus." The Party could take over this surplus and utilize the resources to finance the revolutionary war. Second, at very low levels of income the tenants were sensitive not only to small income changes but also to institutional changes that affected the security of his meager income. From the tenant's point of view, land reform offered him: (1) the possibility of increasing his income either by raising output or by enlarging his share of output, and (2) the economic and social security that came with land ownership. The former remained uncertain, because, given the existing technology, the tenant was already as efficient a producer as the average non-tenant, and because the distribution of output depended on the preference function of the party in power. The latter, however, was a definite gain. Such benefits might well be as important as an actual increase in income.

RURAL POVERTY IN A MAOIST-MALTHUSIAN PERSPECTIVE

We have seen that Mao's explanation of rural poverty in terms of the tenants' lower productivity and the landlords' exploitation is partly justified. There was no clearcut evidence that the tenants were less productive, but the substantial share of output extracted by the landlords had indeed reduced the tenant's net income to the subsistence level. Mao's hypothesis, however, was inadequate. Tenants constituted only about one-third of all the peasants, and at best, the tenancy system can explain why a third of the peasants were poor. The significant point is that tenants and poor peasants were not identical groups. Although tenants were mostly poor, not all poor peasants were tenants. According to Mao's own estimates, 70-75 percent of the peasants were poor, and only 38 percent of the peasants were tenants.¹

In Figure 3 the percentage of poor peasants (shown on the vertical scale) with the corresponding percentage of tenants in total peasants

¹Mao, 1926a, pp. 24, 28; Selected Works, p. 638 (1939).

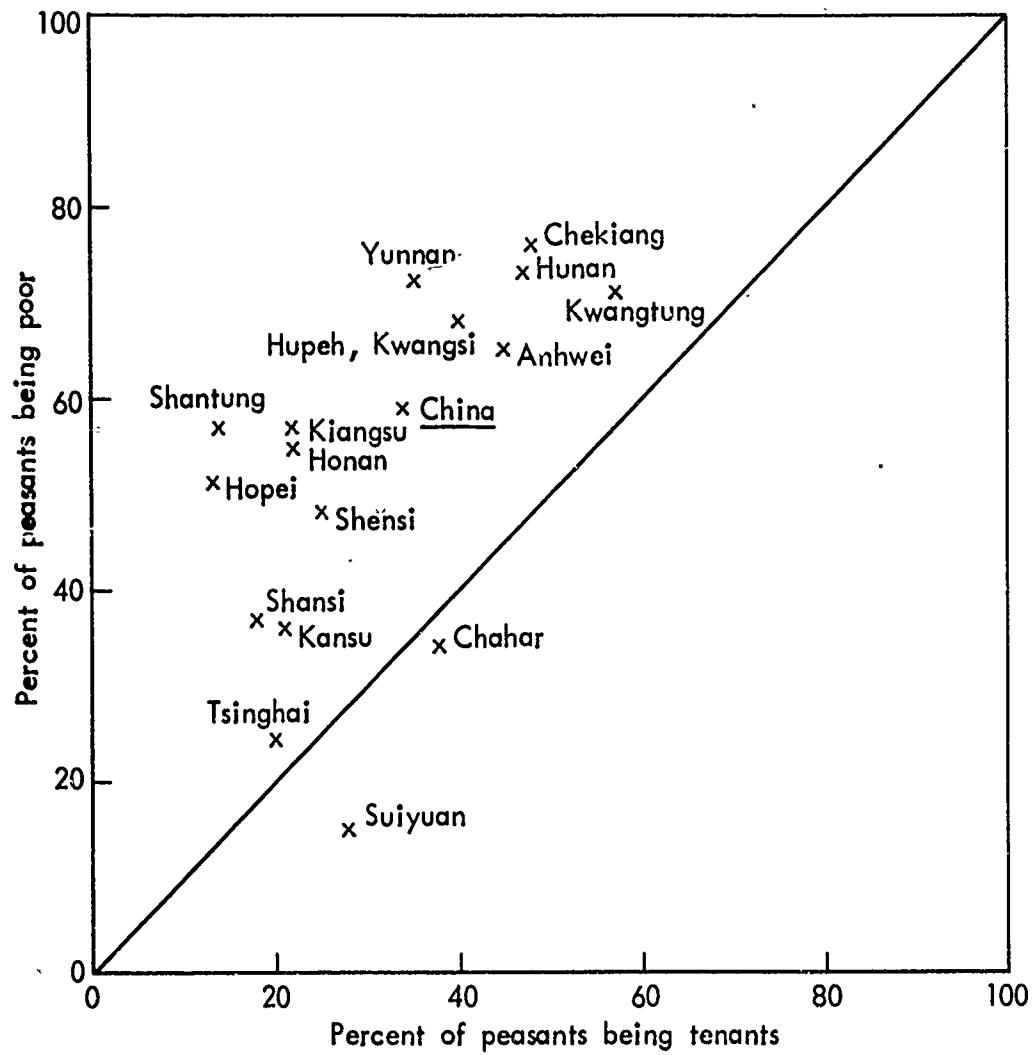


Fig. 3—Comparison of percentages of peasants being tenants and poor peasants

(shown on the horizontal scale) for 17 provinces and for the country as a whole.¹ The 45 degree line indicates the same percentage of peasants being both tenants and poor. Any point lying above the line indicates a larger percentage of peasants being poor than tenants, and, any point lying below the line indicates the opposite case. It can be seen that with two minor exceptions, there were more poor peasants than tenants.

To be sure, in Mao's framework there was another group besides the landlords who were exploiting the peasants, and that was the imperialists.² The imperialists controlled China's customs, dumped their goods in China, and invested heavily in industries in the coastal cities. They exploited the peasants by depressing the wages and prices of farm products and by destroying the traditional handicrafts while monopolizing the market for industrial goods. Most of the economic surplus they accumulated was transferred abroad rather than used to stimulate growth in the domestic economy. Consequently the peasants were impoverished under the two-pronged exploitation of the imperialists and landlords.

Like his doctrine on landlord exploitation, Mao's theory of economic imperialism was founded upon many assumptions. Was the foreign control of China's economy as strong and extensive as Mao asserted? Were the handicraft industries being destroyed by foreign competition? Were the terms of trade between industrial and agricultural products unfavorable to the peasants? These are some of the empirical questions that Mao simply took for granted. Some of Mao's presumptions were perhaps valid. But others seem rather tenuous. According to one study of foreign investment in China, the inflow of foreign capital was not entirely detrimental to the economy.³ More seriously, Mao completely neglected other factors such as population, stagnation in agricultural technology, and lack of capital formation in the agricultural sector. Any anti-poverty

¹ For data used in the comparison, see Tables 3, 4, and 1, and Bureau of Statistics, 1941, pp. 72-74. A poor peasant is defined as one who owned less than 10 mow of land.

² Mao, "The Chinese Revolution and the CCP," Selected Works, pp. 620-625 (1939).

³ Hou, 1965.

measure that focuses on land tenancy and foreign economic penetration alone is not likely to go very far, for an essential part of the poverty problem would remain unsolved. For this reason we need a broader framework that ties together both Mao's ideas and other factors affecting the peasant's income.

As in the case of tenants, one can break down the net income of a farm household into two components: income from farming and income from other sources. The former, in turn, represents the differences between gross output and payments to the state, landlord, and other claimants. Non-farm income refers to the peasant's income from various subsidiary occupations. Not all peasants had supplementary incomes. But a large proportion of farm families did, and the percentage of their net income from non-farm sources was by no means negligible.¹ A farm household's income therefore, depends on: the productivity of the peasant, the share of output taken from the peasant, and the amount of supplementary income earned by the farm household. As a first approximation, one can surmise that in the 1920s and 1930s most peasants were poor because their productivity was relatively low, because the non-farm population extracted a substantial share of their output in the form of taxes, rent, and interest, and because the peasants' supplementary incomes were declining. The important question then becomes: Did these three events occur and why?

POPULATION PRESSURE AND PRODUCTIVITY

The low productivity of the Chinese peasant is evidenced by the contrasts in output per man and crop yields between China and other countries. Output in grain-equivalent per man-equivalent in China in 1929-1933 was 1,400 kg compared to 20,000 kg in the United States.² China's crop yields during this period, with the exception of rice, were lower than those in Japan, Italy, Germany, Great Britain, and the

¹ According to Buck's survey, 65 percent of farm families had subsidiary occupations, and on the average 14 percent of their net income came from these sources. Buck, 1937, pp. 297-299.

² Buck, 1937, p. 282.

United States.¹ Three main factors contributed to the low productivity: the small size of the farm, primitive techniques and little capital formation, and frequent natural or man-made disasters.

The Small Size of the Farm

Table 16 summarizes the data relating to farm size and productivity based on Buck's survey. The table clearly shows that the typical Chinese farm was rather small, about 4 acres, or one-fortieth of an American farm. Over 80 percent of all the farm households operated a farm area of less than 5 acres.

Perhaps the most important single factor affecting the farm size was the enormous population pressure on land. The Chinese mainland had a total land area of 2,678 million acres of which about 10 percent were cultivated in the 1930s and about 3 percent arable but not cultivated, the rest being deserts, mountains, and other waste land difficult to bring under cultivation. The total population was about 500 million, of which about 350 million were peasants. This means that cultivated land per head of agricultural population was less than one acre, a pitifully small ratio. In the present context, the implication of a low land-man ratio is twofold. When we look at the rural population as an enormous reservoir of labor supply, the low ratio indicates a lopsided situation of factor supply that favored the adoption of labor-intensive techniques. When we look at the rural population as households whose main occupation was farming, the low ratio indicates that the scale of farm operation was small, since the household farm was the only form of farm organization in China.

The agricultural crowding was mainly the result of continuous population expansion in the last century and the traditional inheritance system of equal shares among the sons, which tended to break up the family land holding generation after generation. At the same time there were virtually no social or economic forces working for the amalgamation of the individual holdings. Only rarely would several pieces

¹Ibid., p. 223.

Table 16
SIZE OF FARM AND PRODUCTIVITY

	Small Farms	Medium Farms	Large Farms	Medium Farms	Large Farms	Very Large Farms	Average
Percent of farms by size	24	37	20	11	8	-	-
<u>Size of farm</u>							
Farm area (acres), average	1.43	2.84	4.92	7.17	13.02	4.18	
Farm area (acres), medium	1.46	2.79	4.79	6.92	11.56	3.16	
Man-equivalent per farm	1.20	1.70	2.30	2.80	3.70	2.00	
Number of persons per household	4.40	5.50	6.90	8.30	10.10	6.20	
<u>Productivity indicators</u>							
Index of crop yields	100	99	100	98	100	-	-
Production of grain-equivalent per man-equivalent (kg)	833	1,174	1,456	1,689	2,073	1,393	
Production of grain-equivalent per capita (kg)	225	353	479	558	773	446	
<u>Supply of other factors</u>							
Percentage of farms without labor animals	65	38	18	12	7	-	-
Fertilizer used (tons/acre)	4.22	4.32	4.55	4.40	4.71	-	-
Number of pieces of equipment	-	9.60	-	15.30	25.80	-	-
<u>Efficiency in factor use</u>							
Average size of parcels (acres)	0.52	0.72	0.96	1.31	1.75	-	-
Average size of fields (acres)	0.32	0.40	0.47	0.59	0.69	-	-
Percentage of farm area in productive use	89.8	91.7	92.7	93.3	93.3	-	-
Index of double cropping	153	151	149	147	143	-	-
Crop acres per man-equivalent	1.5	2.1	2.6	3.2	4.0	2.6	
Crop acres per labor animal unit	2.6	3.8	4.8	5.7	6.7	4.9	
Percentage of net income from non-farm sources	21	14	11	10	9	14	

Source: Buck, 1937, pp. 253, 259, 271-273, 276-279, 283, 286, 299, and 458.

of land adjacent to each other be for sale at one time.¹ About the only time when such amalgamation took place was when a severe natural disaster forced many small owners to sell to a few rich buyers, or when a powerful warlord took over large tracts of land by force. But even when this happened, the large landowner generally rented out his land in small pieces for several reasons. On the one hand, it would make little difference to the landlord to lease his property to one single tenant or to many tenants. Rent depended on the yield per acre, and the yield per acre for large and small farms was about the same.² On the other hand, there were advantages in renting the land out in smaller pieces.³ Even if the quality of his land was the same, the tenants were of different capabilities. Breaking up the land provided diversification of risk. Furthermore, the landlord might be able to obtain more rent in the form of unpaid services since such payments varied with the number of tenants rather than with the size of the leased property. Finally, the landlord could create goodwill for himself by renting out his land to a large number of tenants when there were many peasants wanting to lease land.

One major consequence of the small size of farm was low labor productivity. As Table 16 shows, production in grain-equivalent per man-equivalent varies with the size of the farm. Output per man in the very large farms (13 acres) was 2,070 kg, 2.5 times that of the small farm (1.4 acres). The contrast in output per capita was even more marked: that of the very large farm was about 3.5 times that of the small farm.

Clearly the small farms were not as economical as the larger farms. The reasons for the diseconomies of scale are not far to seek: land was not used as efficiently, and there was underutilization of draft animals and labor in farming. Table 16 shows that the percentage of farm

¹ Yang, 1945, p. 14.

² See Table 16.

³ Against these advantages, the cost of rent collection might well be higher if the number of tenants was larger.

area in productive use was lower in the small farm. This was because the small farms had more boundaries and a relatively larger area taken by the farmstead. Furthermore, the acreage of a farm was usually broken up into small parcels. The reason for the minuteness of parcels was that social customs dictated that land of different qualities should be so divided among the male heirs that each got some good and some poor land. The arrangement was considered desirable because parcels of different qualities were usually scattered and used to grow different crops so that the farmer was better protected against natural disaster. However, small fields, particularly when they were scattered, were generally difficult to manage and to irrigate.¹

Table 16 also shows that there were only 1.5 crop acres per man-equivalent on small farms, compared with 4 acres on the large farms. Similarly, each draft animal on small farms worked on 2.6 acres whereas on large farms each worked on 6.7 acres. Apparently the ratios for the small farms were too low to permit full utilization of the labor of draft animals in farming. In order to compensate for this deficiency, the peasants on small farms worked their land more intensively. Thus, the index of double cropping was higher in small than in large farms. In addition, partly out of the need for supplementary income and partly because labor was underutilized in farming, peasants on small farms took up subsidiary occupations, as reflected in the higher percentage of their net income from non-farm sources. These attempts to substitute labor for land actually resulted in a higher rate of total labor utilization on smaller than on larger farms.²

Primitive Techniques

The enormous size of the population that led to the fragmentation of farm land also resulted in the widespread use of labor-intensive techniques of farming. Peasants adapted themselves to such techniques because labor was relatively cheap. But the demand for farm labor was

¹Buck, 1937, p. 185.

²Buck's survey shows that the number of idle months per ablebodied man was lower on small than on larger farms. Ibid., p. 295.

highly seasonal. During the planting and harvesting seasons there were actually labor shortages.¹ This means that the adoption of labor-intensive techniques in farming required a sufficiently large supply of labor to meet the peak demand. Two consequences followed. Because the labor would be largely underemployed for the rest of the season, output per man year would be relatively low even though output per man-hour during the farming season might be high. Moreover, the demand for a large stock of labor provided an inducement to keep population stable if not expanding. The inducement was further reinforced by the traditional values placed on the continuity of the family. These elements tended to perpetuate a vicious circle between population pressure and the labor intensive techniques of farming.

Capital Formation

Two pieces of information indicate that investment in agriculture was probably insignificant. The first indication is the relatively small amount of capital formation in equipment produced by the handicraft industry, in the increase in livestock, and in investment in kind in the 1930s. The average gross investment in these items in 1931-1936 amounted to about 1 percent of the average annual gross value added in agriculture.² The second indication is that, according to Buck's farm survey of 17 localities in 1921-1925, the percentage of expenditures by operators and landlords for investment and maintenance purposes amount to only 4 percent of gross value added.³ If allowance is made for capital consumption, net investment would be almost nil.

Clearly, the low level of investment was not due to lack of investment opportunities in agriculture. On the contrary, "there [was] considerable opportunity for increasing the yield by the use of improved

¹Buck, 1937, p. 301.

²Yeh, 1964, p. 157.

³Buck, 1930, pp. 65, 75. The items included in investment and maintenance are buildings and their repairs, tools and their repairs, and livestock purchased. Gross value added is obtained by deducting the three items just listed, plus fertilizers, feed, seed, and unclassified items, from farm receipts.

seeds, better care of crops, more fertilization, the control of insect pests and disease, and by irrigation and drainage."¹ Investment in draft animals might also increase output, since about 35 percent of all the farms had no draft animals.² The low level of investment appeared to be due mainly to an acute shortage of loanable funds for agricultural investment. Most peasants, whose livelihood depended directly on farming, had no savings to invest, and those with some savings, including the rich peasants, landlords, and the state, had no incentives to invest in agriculture.

As noted above, the labor productivity of the peasants was rather low. Hence, income was also low. The limited income of a farm household could hardly maintain a subsistence living because of the tremendous population pressure, and also because of traditional customs that dictated lavish expenditures on the occasions of births, weddings, and funerals. The farm population in traditional China was characterized by its enormous size (more than 350 million), high birth and mortality rates (38 and 27 per thousand population per year, respectively), and an age structure dominated by a large youth group of age 0 to 14 years (about 33 percent of the total population).³ The implication of all these on the peasants' saving and consumption was profound. The large population meant large numbers of mouths to feed. In particular, a sizable portion of the farm output had to be used to support the relatively numerous children who contributed little to output. In a sense this was investment in human capital. However, much of the expenditures was wasted because a large percentage of the children never survived to become full-grown producers. Meanwhile the high birth rate kept constant pressure on the peasants' resources. In the 1930s, some kind of saturation point had apparently been reached. Buck observed a high correlation between the size of the farm household and the size of farm and concluded

¹Buck, 1930, p. 223.

²This figure is based on the percentage of farms without labor animals in each size group given in Table 16.

³Buck, 1937, pp. 358-399.

that "most rural families had about as many members as the farm could support."¹

Consumption expenditures on special occasions provided another important drain on the peasants' income. A farm family having such expenditures spent an average of 152 yuan (in 1929-1933 prices), about 40 percent of the average annual income of a farm household.² Not all the farm families have such expenditures all the time, of course. Buck's earlier survey shows that 3.8 percent of the families had weddings and 2.8 percent of the families had funerals during a year.³ Total expenditures on these two items alone would amount to 460 million yuan, roughly equal to China's average annual net domestic capital formation for 1931-1936.⁴

Those with savings generally refrained from investing in agriculture primarily because the alternative cost was apparently considerably higher than the returns from such investment. The interest rate in the rural money market was extremely high. The rate varied from region to region, and within a region it varied according to the closeness of the personal relation between the debtor and creditor. But in general, the interest rate ranged between 28 and 38 percent per annum.⁵ "Interest rates at 40 to 80 percent are said to be common; interest at 150 to 200 percent to be not unknown."⁶ It was most unlikely that expenditures on fertilizers, equipment, and other productive uses could yield more than the market interest rate.

Fragmentary information suggests that there were hardly any government savings during this period.⁷ This is not surprising, for on one

¹Ibid., pp. 276, 371.

²Ibid., p. 466.

³Buck, 1930, pp. 416-417.

⁴Total expenditures is calculated from data on expenditures per farm given in Buck, 1937, p. 468, and total number of farm households of 60.9 million. For average capital formation, see Yeh, 1964, p. 76.

⁵Buck, 1937, p. 463.

⁶Tawney, 1932, p. 62.

⁷Yeh, 1964, p. 176.

hand the taxation system was inefficient, and on the other there were enormous military expenditures.¹ Continuous internal strife among the warlords sometimes even led to a reduction in the maintenance of water conservation.

Natural and Man-made Disasters

Even if savings had been available, there was yet another factor deterring investment in agriculture: the risk due to the high frequency of natural disasters. During the period 1904-1929, droughts, floods, insects, wind, hail and frost caused the loss of nearly one-half of the crops.²

No estimate of losses due to civil wars is available. But we do know that such disruptive military operations were not uncommon. In the period 1912-1930, there were wars in every year except in 1914-1915.³ The fighting and looting were likely to be no less destructive than the natural disasters.

TRANSFER OF OUTPUT TO THE NON-FARM SECTOR

A major financial burden on all peasants was the substantial share of output collected directly by the state and other power groups, and indirectly by the merchants and money lenders. The most important was the tax burden. Three types of tributes to the state may be distinguished: direct taxes, special levies, and military appropriations. In principle, direct taxes were paid by land owners, and tenants were free from such obligation. In reality, the tenants generally bore part of the burden.⁴ The direct tax consisted of two parts: the main tax, which was a tax on land, and the surtax, which included all other direct

¹Liu, 1946, p. 54.

²Buck, 1937, p. 127. See also Chang, 1957, II, pp. 617-619.

³Chang, 1957, II, p. 609.

⁴Fei, 1939, p. 193. For specific cases, see Chang, III, 1957, pp. 63-65. For example, "the total tax on land in Paotow amounts to \$70 for 100 mow and more than half of this is put on the shoulders of the tenants." Agrarian China, p. 45.

taxes imposed upon the farmers. In the early 1930s there were 188 different kinds of taxes collected by the government.¹ According to Buck's survey, the average tax on medium grade land in 1929-1933 was 6.34 yuan per acre (U.S. \$1.79), considerably higher than the land tax in the U.S.² Taxes were generally higher in the rice region than in the wheat region. In some localities, such as in Szechwan, the tax on medium grade land was as high as 31 yuan per acre, five times the average for the 21 provinces. In terms of percentage of output, the average tax rate for irrigated land was about 13 percent, and that for non-irrigated land, 15 percent.³

What the peasant actually had to pay usually exceeded the tax rate of 13 to 15 percent, because the local government often not only collected taxes for the current year but also for many years in advance.⁴ In the period under study such practices were found in 15 provinces.⁴ Peasants in the northern provinces had to pay one or two years in advance, and those in Central China, four or five years in advance. Those in Hunan in 1924 paid up to 1930, those in Fukien in 1926 paid up to 1933, and those in Szechwan in 1926 paid up to 1957.⁵

The trend of taxes had also been rising continuously in the two decades prior to the Communist establishment of the Kiangsi Soviet in 1930. According to Buck's survey, the indexes of taxes paid to the hsien government per acre of the most usual kind of land by regions in 1910-1930, with 1910 = 100, are as follows:⁶

¹ Buck, 1937, p. 323.

² Ibid., pp. 325-326.

³ The average tax rates are calculated from data on gross value of output per mow, the price of land per mow, and tax per mow of irrigated and non-irrigated land, given in Bureau of Statistics, 1942, pp. 82-83, and Chang, 1957, III, pp. 13-15.

⁴ Chang, 1957, II, pp. 576-580, III, pp. 39-42.

⁵ Chen, 1928, pp. 9-28.

⁶ Buck, 1937, p. 329.

	<u>China</u>	<u>Wheat region</u>	<u>Rice region</u>
1915	104	108	97
1920	108	115	105
1925	110	122	109
1930	170	177	174

The rise is especially marked in the period after 1925, partly because the government collected more to offset inflation and partly because of more frequent and more widespread war activities in this period. Before 1925, taxes in the wheat region rose faster than in the rice region where the tenancy ratio was higher, but the reverse was true of the period after 1925.

Another type of financial burden imposed on the peasants was the special levies of the local government.¹ These levies were collected ostensibly to cover such expenses as maintenance of a local police force and construction of dikes and roads. The amount varied from region to region. In many cases they were as high as the regular taxes themselves.

A third type of burden was the military requisitions of the peasants' labor, money, supplies, and draft animals by the warlords. According to one survey, 44 percent of all the counties in 1929-1930 were subject to such appropriations.² Virtually all the logistic support of the local warlords' armies relied on these appropriations. Again the amount varied, depending on the warlords' greed and the intensity of the military activities. In general, the burden was quite heavy. For example, in Shantung province, military appropriations in 1928 amounted to 2.7 times the taxes.³

Added to the peasants' tax burden were the pillage and destruction by soldiers, local gangs, and bandits mentioned above. Over 40 percent

¹ For specific cases of compulsory contributions, see Chang, III, pp. 77-90.

² Ibid., pp. 65-75.

³ Ibid., p. 67.

of the localities in 1929-1933 had such incidents.¹ The looting not only reduced the peasants' current income but also seriously impaired their productive capacity, because war and plundering disrupted the farming process, exhausted the farmers' reserves, destroyed capital, and drafted many able-bodied laborers from the villages.²

Precisely how much of the peasants' output was taken away is not known. Whatever the amount, the direct extraction imposed a burden on the peasants in a very real sense. The resources extracted were used mainly to finance the civil war, as indemnity to foreign nations, and for expenditures of the bureaucrats.³ Virtually no resources flowed back to the agric. rural sector. The economic and social benefits received by the peasants were practically nil.

Apart from the direct taxes and levies, the peasants also had to transfer some of their income to the merchants and money lenders indirectly. The peasants were not totally independent of the market despite the high degree of self-sufficiency. They had to sell part of their produce in exchange for money or industrial products. The marketed portion of output varied, higher for commercial crops such as cotton, and among the grain crops, the marketed portion is higher for preferred crops such as wheat than for coarse grain.⁴ The crops were sold usually at the time of harvest when prices were at the lowest level. Frequently the poor peasants had to buy grain from the dealer at higher prices usually in the following spring, when their grain reserves were exhausted and the new crop was not yet ready for harvesting. The dealers, acting as oligopsonists and oligopolists, profited by squeezing the peasants.⁵

¹Buck, 1937, p. 471.

²Mallory, 1926, pp. 71-79. See also Agrarian China, pp. 102-109.

³Military expenditures alone accounted for over 50 percent of total government expenditures in 1933. Tu, 1947, p. 134.

⁴Buck, 1937, pp. 236-237.

⁵See for example, cases cited in Agrarian China, 1938, pp. 250-251; Fei and Chang, 1945, p. 260.

Quite apart from the seasonal change in farm prices, the terms of trade between the rural and urban sectors also turned against the peasants. Since 1926 the prices paid by the farmers rose faster than the prices received by the farmers.¹

Another major transfer item is the payment of interest. Buck estimates that 39 percent of the farmers were in debt.² Actually the percentage might well be higher because of the bias in Buck's samples in favor of the better-than-average farms. As noted earlier, the interest rate was very high, so that, for those in debt, a considerable amount had to be paid to the money lenders.

DECLINE IN FARM SUBSIDIARY INCOME

A sizable proportion of the peasants engaged in non-farm activities.³ Income from subsidiary work averaged about 14 percent of the farmers' net income.⁴ This seemingly meager supplementary income was of considerable importance to the peasants because income from farming alone often could not support the peasant's family. Thus, the lower the per capita income from farming, the greater the need to develop a supplementary income and the higher the percentage of net income from subsidiary work.⁵ An essential feature of the peasants' subsidiary

¹This is based on price indexes for 11 localities in 6 provinces given in Ministry of Industries, 1935, p. 67. Note that the two indexes given in Buck, 1937, p. 316, are not comparable because the statistical coverages of the two indexes are different. For specific cases, see *Agrarian China*, pp. 170-179.

²Buck, 1937, p. 471.

³About 44 percent of the farmers in the 1930s had subsidiary income and among them about one-half were engaged in handicraft manufacturing. Liu and Yeh, 1965, p. 185.

⁴Buck, 1937, p. 299.

⁵Using Buck's data on per capita output in grain equivalent (represented by X) and percentage of net income from non-farm sources (represented by Y) in seven regions, we obtain the following regression: $Y = 2.2945 - 0.0214 X$, R^2 adjusted for degrees of freedom being 0.86. The region excluded in this calculation is Szechwan rice where both rent and taxes were higher than other localities so that gross output per capita in this region is not a good approximation to per capita net income. Buck, 1937, pp. 286, 299. See, for example, Fei, 1939, p. 202.

work is that home industry provided the most important source of income.

Traditionally, the peasants faced no financial difficulty because their handicraft products found a ready market among the landlords, the urban population, and abroad. However, since the turn of the century, several major developments led to a decline in the market for such products. The first was the change in consumer habits, particularly in the urban areas, under the impact of modernization. New products, such as kerosene, cosmetics, soap, synthetic fibres, and pharmaceuticals, competed for the consumers' dollar.¹ Second, growth of modern manufacturing and imports provided strong competition with the farmers' products. Examples were: cotton yarn, cotton cloth, knitted goods, cigarettes, sugar, wheat flour, and metal products.² Third, there had been a secular decline in the export market of many handicraft products in the two decades since 1913, notably silk, tea, and straw braid.³ Finally, many landlords moved to the cities for safety and comfort, and shifted their expenditures from indigenous products and services to imported or manufactured goods.⁴ For these reasons, many subsidiary occupations were on the decline.⁵

There were two ways for the peasants to meet a financial deficit. They could export either capital or labor. Those who owned land were forced to go into debt and eventually became tenants when they could not pay the high interests. In the neighborhood of big cities, where people were more susceptible to what Duesenberg called the demonstration effect on consumption and hence more prone to "modernize" their

¹Chang, 1957, II, pp. 57, 407-409.

²Ibid., pp. 664-665; Peng, 1957, II, pp. 26-27, 34, 45-47, 55-56, 59, 77, 407, 409, 439-444, 474-477, 507-509, 518, and 522; Yang, 1945, pp. 42-44.

³Chang, 1937, III, Appendix Table 2.

⁴See, for example, Yang, 1959, p. 74.

⁵Chang, 1959, III, p. 644. For example, in Kunming, demand for subsidiary farm services had been declining in the early 1930s. Agrarian China, p. 56.

consumption pattern, the peasants were more seriously affected. This may explain in part, why tenancy was more prevalent in these areas.

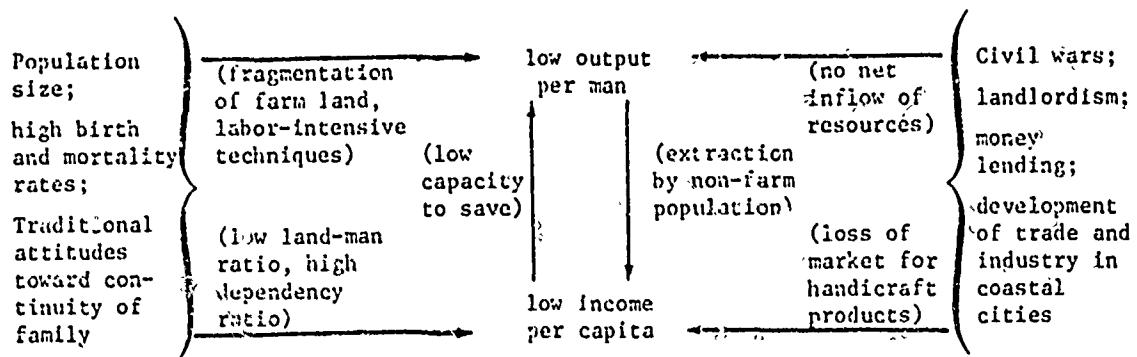
Peasants with no land sold their labor in the cities. An influx of peasants into the cities were fairly common during the hard seasons following a poor harvest. But the main difficulty with the urban-rural balance of payments was that the deficit was a persistent one. The problem could perhaps have been mitigated by an expansion in industrial employment in the nonagricultural sector. However, industrial development itself was retarded by the limited rural market. Under the circumstances, many peasants moved to other places. This partly explains the massive internal migration to Manchuria and the external migration to southeast Asia. Because the traditional attachment to the native land was strong, only the desperately poor left the villages. Thus, not surprisingly, emigrants from small farms were more heavily represented than those from large farms, and likewise tenant families were represented nearly four times as heavily among the migrants as in the general population.¹

SUMMARY

To recapitulate, the peasant's per capita income was low (relative to the subsistence level) mainly because gross output per capita was low, because a sizable portion of output was extracted from the peasants, and because of a decline in the peasant's supplementary income. These three factors, in turn, were caused by the enormous population pressure upon limited arable land, by the civil wars and the tenancy system, and by the displacement of handicraft products by modern industrial products.

The precise relationship between the peasant's per capita income and its determinants cannot be quantified because of the lack of data. But the mechanism that generated and perpetuated rural poverty is clear:

¹Buck, 1937, p. 397.



Essentially it was the fragmentation of farm land, rather than the concentration of land ownership that crucially affected the peasants' productivity. While high rents undoubtedly contributed to rural poverty, unrestricted taxation by the local and central governments and exploitation by the money lenders and merchants were no less significant. The transfer of resources was basically a net outflow since practically no part of the transfer was used to subsidize the peasants' income or for agricultural investment. On top of all that, the development of modern industry and other factors further reduced the peasants' supplementary income without replacing the declining market for farm products by an expanding market for farm labor.

Viewed in this perspective, Mao's exploitation hypothesis is only a half truth, for it totally neglects the impact of population and the process of modernization on the agrarian economy. There are perhaps good reasons for Mao to disregard the population factor. First, it was contrary to Marxian orthodoxy to accept a Malthusian theory of poverty. Besides there was little the Party could do about population control at that stage. Moreover, it had no dynamic appeal to the peasants. To blame population growth is to blame the peasants themselves and to pit the Party against the centuries-old traditional familism. By contrast, to identify the landlords (and to a lesser extent the imperialists) as the culprit is politically astute. Marxist strategy is invariably cast in terms of classes, class struggle, and class hatred. Guilty or not, the landlords served a useful purpose as the deadliest enemy of the poor. Mao hoped to unite the poor under the

revolutionary banner of liberating them from feudalism. How effective this banner is depends on the attitude of the poor peasants toward revolution as a solution to their problem.

V. POVERTY AND DISSIDENCE

The standard Communist doctrine on poverty and dissidence is that a person's revolutionary zeal varies inversely with his economic status.¹ The poorer he is the more militant he would be. Thus Mao strongly believes that in the villages the poor peasants were the most revolutionary.² Mao's rather simplistic doctrine actually embodies two propositions: The poor peasants were strongly motivated to change their economic status, and, in the eyes of the poor, such changes could come only by revolution. The former may not hold simply because the poor may be resigned to their fate under the existing political order, or they may be motivated by other factors. The latter may not hold because revolution is not the only way to a better livelihood. The validity of Mao's doctrine therefore depends on two questions: (1) Was it poverty or some other element that motivated the peasants to become dissident? Under what conditions would poverty be a strong motivating force? (2) Should the peasants desire changes, what channels of economic and social mobility were there besides revolt, and how did the appeals of communism compare with the alternatives?

POVERTY, POLITICAL OPPRESSION AND LAND HUNGER

Poverty is essentially a relative concept. To be meaningful, the use of per capita income to indicate poverty must refer to some standard of measure. The basic criterion Mao used is the subsistence level. He argued that the closer the peasant's income comes to the subsistence level, the stronger the urge to move upward.

Mao's hypothesis is probably valid in the case of the peasant's income falling below the subsistence level. "Where starvation was ever present, belly hunger alone was enough to turn millions of havenots

¹ See for example, Mao, 1926a, p. 28; Jen-min chu-pan-she, ed., Ti-i tzu kuo-nei ko-ming chan-cheng shih-chi ti nung-min yun-tung (Peasant Movements During the Period of the First Revolutionary Civil War), People's Press, Peking, 1953, p. 216.

² Mao, "Report on An Investigation of the Peasant Movement in Hunnan," Selected Works, p. 22 (1927).

against the have-gots."¹ However, when the peasants face no immediate threat of starvation, there is no a priori reason to expect a positive relationship between poverty (as Mao defines it) and the peasant's propensity to change. The relationship depends, among other things, on the gap between the individual's actual income and the subjective standard that he considers a minimum goal. One can conceive of at least two possible situations in which peasants are motivated toward social change, regardless of their incomes relative to the starvation level. The first is when the peasant's minimum goal is related to some average income of the community and his actual income is far below the average. In addition, the size of the relatively low income group in which the peasant belongs might affect his attitude. On the one hand, the smaller the group, the more conspicuously "poor" the group appears, and therefore the stronger the urge to change. On the other hand, there might be a tendency to associate power with size so that the larger the low income group, the more intense the aspiration to change.

Another possibility is that changes in the peasants' income may be more significant than the absolute level itself in determining the peasant's attitude toward social change. Of course, much depends on the direction of change, on whether the income change is a one-shot affair or expected to continue, and on the size of the change itself. An increase in income may generate anticipations and new aspirations, or it may create a sense of security that discourages dissidence. A fall in income would, in all likelihood, motivate the peasant to restore his income to its peak level in the past.

The many possibilities suggest that Mao's concept of poverty is perhaps too narrowly defined, and that it is relevant only in the case of extremely low income. Nonetheless, in the agrarian setting of traditional China, abject poverty was by no means uncommon. Moreover, there were indications that the peasants' standard of living was declining in the 1920s. Under conditions of such widespread economic hardship, poverty in Mao's sense might have been an important motivating force.

¹Snow, 1961b, p. 71.

But extreme poverty is not the only driving force behind the peasants' attitude toward change. At least three other elements are also important: political oppression, nationalism, and the hunger for land. In the traditional rural society, the gentry dominated the political scene, acting both as the intermediary between the peasantry and the central authority, and as the local administrator in the self-governing village community.¹ A political equilibrium existed between the peasantry and the central and local power-holders: the peasants paid their taxes and contributed labor, and in return, the state and local authorities provided collective security and other minor public services. While mobility between gentry and peasantry was difficult, it was not totally blocked. For centuries, the equilibrium was maintained, except during brief periods when the authorities abused their power and overtaxed the peasants. In the 1920s the traditional system began to break down mainly as a result of civil wars, economic penetration of the village economy by external forces, and subsequently the Japanese invasion. The economic burden on the peasantry to supply more resources was greatly increased. Yet the gentry was powerless to mitigate the pressure. Worse still, the local self-governing structure ceased to function, as the gentry either defaulted or sided with the external power groups against the peasants. The political oppression the peasants faced was thus manifold. The warlords and the gentry used their political power to enforce their increased demands upon the peasants. Their failure to provide collective security left the peasants open to harassment by bandits, gangsters, and other organized groups. Oppression inevitably generated hostility. When hostility heightened to a certain point, the peasants were prompted to respond. The violent peasant movements were in a sense the peasant's reactions to protracted repressions by those in power.

The peasants may be subject to political oppression or the threat of political oppression from a foreign power. When this happens, nationalism can provide a powerful incentive for the peasants to take

¹ For a brief description of this system, see Yeh, 1969, and references cited therein.

political action. Foreign intrusion, atrocities and oppressions create hostility against the foreigners, and hostility generates resistance. Thus the political alienation of the peasants could lead to dissidence, quite independent of the peasants' income levels, although economic exploitation and political repression generally go hand in hand once the land is under foreign occupation.

Another strong motivation is the hunger for land. To the peasants, land was more than a factor of production. It provided the owner with economic security as well as social prestige. The success or failure of a peasant's career was gauged by the amount of land he owned. The basis for the peasants' craving for land in a southwestern province described by an anthropologist was common to all parts of China:

The residents of Lut'sun attach an extremely high value to the land they possess because it is the main source of the income upon which their material comfort and social prestige depend and because it is the symbol of the family's continuity.... Land is the foundation of a family; it secures not only one's own living but the living of future generations. The experience of the villagers, who have repeatedly suffered from the depredations of bandits and the destruction of fires, have taught them that everything else can be destroyed and that land alone is permanent.¹

The hunger for land is reflected partly in the premium attached to land ownership. The returns from investment in farm land, about 9 percent, were considerably lower than the prevailing interest rates of 20 to 30 percent or higher.² While the higher degree of risk in money lending accounted for part of the premium, the difference largely represented the peasants' preference for land. In general one may surmise that the marginal utility of a commodity increases as the quantity possessed by the individual diminishes. To the extent this was also true of land, the landless would have a stronger craving for land than those possessing some land.

¹ Fei and Chang, 1945, pp. 125 and 128. See also Pan and Chuan, 1952, p. 114.

² Buck, 1930, pp. 158-159. More often than not, the interest rate was higher than 30 percent. Interest at 40 to 80 percent was common. Tawney, 1932, p. 62.

The three types of motivations were similar in some respects and dissimilar in others. Poverty and political oppression were negative appeals in the sense that aspirations to change were responses to hostilities or grievances. The hunger for land might be a positive appeal by itself, unrelated to the individual's economic or political status. However, the different motivations generally had one thing in common: they were all linked directly or indirectly to the land problem. "Excessive" rents lowered the living standard of the tenants who were by far the largest group among the poor. More often than not, those in the landed class were also the politically powerful. And it was the landless that wanted to acquire land the most. Thus, the peasants' grievances, frustrations, and aspirations usually converged on the land issue, and the poor, the politically oppressed, and the landless all looked to the ownership of more land as the common solution to their problem.

However, the party leader whose goal is to induce the peasants to take action does not have to rely solely on the land issue. There are possible tradeoffs among the various types of mobilization appeals. The CCP's emphasis on peasant nationalism instead of land redistribution during the period of the Sino-Japanese War in 1937-1945 is a case in point. There were three main reasons for this policy. First, the tenancy system was relatively underdeveloped in the Communist base in the Shensi-Kansu-Ningshia Border Region and other areas in North China where the Communist influence was the strongest. This was the winter wheat-millet region where only 16 percent of the peasants were tenants.¹ The landlord-tenant conflict was not as serious as in other parts of China. Second, the Party badly needed a period of recuperation after its defeat by the Nationalists in Kiangsi and the Long March. Some of the generals in the Nationalist army were former warlords who owned large tracts of land in interior China. That Nationalists at this time advocated a more moderate land policy of rent restriction. The abandoning of land redistribution by the CCP was essentially a concession to the Nationalist

¹See Table 6.

Government in exchange for peaceful coexistence during the war against Japan. But most important of all, the Sino-Japanese War presented the golden opportunity to make use of nationalism, a cause that not only helped the CCP's united front tactic but also provided a low-cost and effective device to mobilize the peasants. It was a low-cost appeal because by nature nationalism arouses a political sentiment that to some extent can substitute for material gain.¹ People could accept some sacrifice and suppress their hunger for land for the cause of national survival. Nationalism was also an effective symbolic ideology because it was easily understood by the peasants who were being alienated by the Japanese.² Moreover, in the areas close to or actually at the war front, local administration sometimes became paralyzed as the local gentry and landlords fled the villages or were killed. The Communists would move in, reorganize the local power structure, and under the guise of resisting the Japanese, carry out many sweeping reforms.³

In the postwar period, the CCP switched again back to land reform, partly because nationalism was less effective after the Japanese surrender, partly because they no longer feared an open break with the Nationalists, but mainly because the peasants to be mobilized at this stage of the Communist movement were those in north, central, and south China where tenancy ratios were rather high.

The foregoing discussion suggests that to mitigate peasant discontent, several alternative solutions are possible: economic measures to increase the peasants' income, political reorganization to relieve oppression, and land reform. The Communists had, for the most part, favored land reform because their overriding concern was mobilization, and this could be achieved much more easily by redistributing than by increasing income, particularly in the short run. The same policies could have been used by the Nationalists. In fact, they were in a better

¹Johnson, 1967, p. 3.

²For a penetrating discussion of the rise of peasant nationalism during this period, see Johnson, 1962. For a critical review of Johnson's thesis, see Gillin, 1964.

³See for example, Gillin, 1964.

position to mobilize the peasants, for they were the leading party against Japanese invasion, the area under their control had a more serious land distribution problem, and they had more resources to tackle the problem of rural poverty. But they had not adopted such policies, perhaps not because they neglected the peasantry but because they relied too heavily on the traditional channels of economic mobility as outlets for the peasants' discontent.

CHANNELS OF ECONOMIC AND SOCIAL MOBILITY

What were the alternatives open to the peasants who were driven by extreme poverty to seek a better living? In principle, four channels were available.¹ The first was the economic ladder by which a peasant accumulated wealth by climbing the agricultural ladder or by way of non-agricultural pursuits. A second channel was to ascend through political institutions including political parties and secret societies, and eventual use of political power to acquire wealth. A third alternative was the military ladder. Finally, there were the radical or illegal measures such as opium trade, smuggling, banditry, and open revolt. The peasants' scale of preferences for these choices varied. The costs of different approaches to acquire wealth in terms of effort, risks, and resources also differed. The peasants' choice would depend on their relative preferences and the relative costs.

In the traditional hierarchy of social values, the gentry was ranked the highest because of the traditional respect for knowledge and because of the gentry's services in public affairs. The peasants were only a grade lower, because farming was the very foundation of an agrarian society. Then followed the craftsmen who also produced important products for the community. The merchants were at the bottom of the scale mainly because trade was not considered productive, and gains from

¹Traditionally the examination system was important. In the 1920s the intellectual still commanded great respect and education remained an effective way to success. But for obvious reasons the poor peasants had virtually no chance of getting a formal education.

trade were unethical.¹ Other professions such as being an entertainer or soldier were even less respectable than trading, and any vocations not sanctioned by the society were downright despicable. To the peasants, especially the poor peasants, to become a member of the gentry class was but a dream, for the peasant generally had no resources to put his children through a lengthy and expensive education. For all practical purposes the alternatives open to them would be farming, non-farm occupations, and taking the radical road. Among these three choices, there can be little doubt that the peasant preferred farming to the others. This means that the peasant would give up farming only if the other professions were very much more attractive or if farming could not provide the peasants' minimum needs so that the alternative cost was prohibitively high.

Another situation the peasant often faced was whether or not to migrate from his native village. As one anthropologist points out, the peasant is really earthbound: "The rural society is one in which life is very stable. Those who live on the land cannot constantly move around. One lives in the same place where one is born, to the day of one's death."² The sense of permanent attachment was so strong that families lived in the same village for centuries. If a man died away from home, his body would be shipped back to the village for burial in the same place where his family settled. Given the peasant's close family ties and his deep-rooted attachment to the land, one can perhaps safely assume that, other things being equal, few peasants would want to desert their home land and migrate for any length of time.

In short, the peasants generally preferred farming to non-agricultural work, regular to radical professions, and working in their own villages to migrating. Two implications of these preferences follow. First, the offer of land would have a very strong appeal to those seeking to improve their social or economic status, for it would make it possible for the peasants to choose an alternative they most preferred. Second,

¹For explanations of why the traditional value system looked down upon the merchants see Shih, 1949; Yuan, 1948, pp. 12-14.

²Fei, 1948, pp. 2-3, 18-19.

a mass exodus from the villages and banditry are usually indicators of severe hardships in the villages, since the peasants left their farms only when they could no longer survive in their native land.

The peasants' choice of alternatives depended not on their preferences alone but also on the various general and specific constraints they faced. The peasants generally had little or no resources to embark on a new venture. The only capital they had was their own labor. Moreover, being peasants all their lives and without any formal education, they were unskilled non-farm labor ill-equipped for and ill-informed about economic opportunities away from their own villages. Moreover, the scale of the problem of economic mobility was so great that it was not a problem of a small group of capable and poor peasants looking for a channel to move upward, but a question of millions of poor peasants in search of economic security. From the standpoint of the peasants themselves, this means that competition for available opportunities would be rather keen.

Turning to specific constraints, we consider first the ease of moving up the agricultural ladder, that is, a ladder of advancement on which a man climbs from the position of a hired worker to that of a tenant, part-owner, owner-operator, and eventually to that of a landlord. In principle the mechanics of climbing is simple. Thrift, hard work, and entrepreneurial ability enable some peasants to move up while the mediocre and the unfortunate ones in the upper class move down. In practice, the ladder may be blocked by institutional or economic restrictions so that mobility becomes very difficult. Such was the case in traditional China. According to a sociologist, "the nature of the ladder in China, if there is one, is extremely narrow and difficult to climb, and those lucky few who have, by chance or by effort, ascended from hired hand to owner-operator would be no more than two or three individuals in a hundred with from thirty to forty years of strenuous work."¹

¹Lee, 1950, p. 166.

This conclusion is based on two studies. The first is a study of three counties in Kiangsu and Anhwei, in which the author found two or three of every hundred hired farm boys reached the positions of tenant, part-owner, and owner at the ages of 28, 40, and 51 years.¹ The other is a study of tenancy systems in Honan, Hupeh, Anhwei, and Kiangsi provinces.² According to this study the chances of social climbing for the hired hands were rather slim. Only 70 out of 1000 hired farm boys would become tenants at the age of 31, 16 of them would rise to the status of part-owners at age 41, and only 6 would succeed in becoming owner operators at the age of 48.

The reasons for a rather narrow agricultural ladder are not difficult to find. The most crucial step on the ladder was the one that raised the peasant's status from tenant to part-owner or owner. The key therefore was to own land. Yet there were several obstacles that stood in the way of the landless peasant. First, the landless peasant was almost without exception a poor peasant whose income could barely cover the subsistence requirements. This means that the hired labor and tenants generally had no savings. Buck's survey indicates the situation quite clearly: about four-fifths of the farm households were without any savings.³ Elsewhere, Buck reported that 44 percent of the farmers were owners, 23 percent were part-owners, and 33 percent were tenants.⁴ If one assumes that the peasants' savings were primarily a function of their income levels and that the incomes of the owners were higher than the part-owners which in turn were higher than those of the tenants', Buck's data imply that even some of the owners had no savings, not to mention the part-owners and tenants.

Could not the peasant borrow to buy land? Here the peasant faced two formidable problems: the lack of collateral and the high cost

¹ Chiao Chi-ming, A Study of Farm Tenancy in Quinshan and Nantung Hsien, Kiangsu, and Suhsien, Anhwei, 1926, quoted in Lee, 1950, p. 166.

² Farm Tenure Systems in Hunan, Hupeh, Anhwei, and Kiangsi, University of Nanking, quoted in Lee, 1950, p. 167.

³ Buck, 1937, p. 467.

⁴ Buck, 1937, p. 196.

of finance. In general, a sizable loan must be secured, and for those without property a large loan would be difficult to obtain.¹ More serious was the peasant's limited ability to service the loan. We have noted earlier that interest rates were prohibitively high, usually more than 30 percent per annum.² Since investing in land could not yield a return of more than 30 percent, borrowing to buy land was simply not practical.

Another handicap was the lack of an open market for land. By tradition land was jointly owned by the family. When a peasant was forced to sell his land, he would offer it first to members of his clan, and only if the clan members were unable to buy the land could it be offered to an outsider.³ The market was thus an imperfect one. Even if the tenant had savings or credit, as an outsider, he might not be able to buy the land. In a broader sense, the absence of an open market for land might well result in misallocation of resources, for land, the scarcest factor, might not be available to those who could use it most efficiently.

Because of all these obstacles, opportunities for a landless peasant to move up the agricultural ladder were quite limited. For this reason, "the way to wealth lies outside the occupation of farming, and ambitious villagers must leave the land to seek their fortunes by other means. If they are fortunate enough to achieve their goal, they return, buy land, and become large owners."⁴

Clearly, to move into nonagricultural occupations was to move away from one's native land, for non-farm activities were not developed in the rural areas to the extent that could absorb large numbers of the unemployed or provide opportunities of financial gain. This means that ambitious peasants would have to migrate to the cities, to other parts of the country where the population pressure was less acute, or to other countries. Thus, according to Buck's survey, about 70 percent

¹ Fei and Chang, 1945, p. 123.

² See Yeh, 1955, p. 348.

³ Fei and Chang, 1945, p. 126.

⁴ Fei and Chang, 1945, p. 129.

of the migrants left their home land in search of a better life.¹ And, not surprisingly, among those who migrated, close to two-thirds were engaged in nonagricultural work. However, the scale of peasant migration in the 1920s and 1930s was, on the whole, rather small. Only about 4 to 5 percent of the farm households migrated, and households whose members migrated accounted for only 9 percent of the total.²

In part, the relatively small percentage reflected the peasants' reluctance to leave their homes. In part, it suggested limited opportunities for the average peasant in the cities. This was mainly because there was substantial urban unemployment. Estimates of unemployment vary between 4 and 12 million in the early 1930s, out of a total urban population of about 100 million.³ The ample supply of labor in the cities was apparently adequate to meet the requirements of the slowly growing industrial development. Moreover, the migrants were unskilled labor, unaccustomed to the urban way of living and factory work standards, and had little resources or connections to assist them in the rather hostile environment. Under such circumstances only the few more enterprising and more capable could establish themselves in an alien society. The rest would remain at the bottom of the urban social strata, perish, or return to their villages empty-handed. In sum, migration was not an easy way to climb the economic ladder.

The political ladder offered another possible channel through which the peasant could move upward. Fei Hsiao-tung went so far as to say that "almost the only way to climb from the lower to the higher levels was to get into the bureaucracy as an official."⁴ Unfortunately, the two main credentials for joining the bureaucracy were not easily accessible to the poor. The first was education and the second was the kinship and non-kin ties with those in the bureaucracy. By definition the poor had no money to educate his children. Nor was it likely

¹Buck, 1937, p. 395.

²Chiao, 1944, pp. 134-135. In times of poor harvest, large scale temporary migration was not uncommon.

³Shen-pao nien-chien, 1935, p. 894.

⁴Fei and Chang, 1945, p. 277.

that his social ties were extensive enough to open the doors for him to enter officialdom. For, in general, the extent of one's sphere of connection varies directly with one's social and economic status.

However, the government was not the only institution that possessed political power in the villages. In addition to the state, three other power groups co-existed: The nature of these groups can be distinguished as follows:

<u>Power Group</u>	<u>Nature of Power</u>	<u>Basis of Power</u>
Gentry, landlords	Paternalism	Tradition, wealth
Secret societies, peasant unions	Coalition	Organization
Warlords, bandits	Brute force	Gun

Traditionally the gentry dominated the village power structure. In the 1920s, the power of the gentry was on the decline. The secret societies and in some areas the peasant unions emerged as the new power groups in the village community. And superimposed on the local power groups were the bandits and warlords whose power "grew out of the barrel of a gun." There were no barriers restricting the poor peasants' joining the local organizations. However, these organizations largely functioned as the countervailing blocs to defend the peasants' interests rather than to replace the local bureaucracy. Whatever political power one could acquire through these local organizations was rather limited, though at times they could serve as a stepping stone for the peasant to move into the bureaucracy.

A more readily accessible and perhaps more promising channel was the military ladder. The traditional value system accorded a very low rank to the soldier. "A good man does not join the army, just as high quality iron is not used to manufacture nails." Nonetheless, those in possession of a gun possessed power if not respect from others. And one needed not be in the higher ranks of the army to be powerful enough to acquire wealth. It was a common practice for the troops to live off the country where they were stationed. Graft and unrestricted commandeering of the people's properties provided an easy way to get

rich. In the 1920s there were about 2 million men in the army.¹ The total probably increased to 3 million in the early 1930s.² Most of them were peasants driven by economic hardships to seek their fortunes in the army.³ Those who succeeded returned home to become important and wealthy figures in the villages.⁴

Last but not least, ventures outside the law provided effective if socially unacceptable ways of acquiring wealth particularly in times of social upheaval. More common among them were opium trade and banditry. As Mallory described it:

The oppressed farmers are occasionally reduced to banditry as the only means of insuring a bare subsistence, and thousands of the highwaymen in China at present would be self-respecting citizens in normal times. They have been driven to the hills and lawlessness by hunger and continued extortion; having been preyed upon almost to death, they have chosen to reverse the role mainly at the expense of other unfortunates who have not their courage and will to live.⁵

From the economic standpoint, bandits were hardly different from the private armies of the warlords. They were not only unproductive, they destroyed productive capacity. From the peasants' standpoint, banditry and joining the army were also little different. Very often bandits became legalized by enrolling themselves in the army of whoever was in power.⁶ Or, defeated troops took to the hills with their arms and became bandits. A soldier's or bandit's social status was lower than most social groups. But for those who lived as close to the subsistence level as the poor peasants did, economic gains probably outweighed the loss of social esteem. It was such high risk ventures that promised

¹ Mallory, 1926, p. 78.

² Liu, 1946, p. 60.

³ Fei, 1947, p. 44.

⁴ For the case study of a successful military man, see Fei, 1953, pp. 173-202.

⁵ Mallory, 1926, pp. 76-77.

⁶ For example, the bandits who occupied Chingkangshan merged with Mao's forces in 1928.

large financial gains and yet required little resources other than the peasants' courage and effort.

To sum up, not too many channels were open to the peasants seeking economic security. Those that were open were not the preferred choices of the peasants. And they involved higher risks since most were pursuits outside the law. In general, the peasants had only two choices: they could remain as they were, hoping for some improvements in the near future, or they could take to the hills. The Communists offered a third choice. They would organize the peasants to unblock the preferred channels by force. The basic question is: how strong was the appeal of the third choice?

The question cannot be answered definitively for lack of relevant information. However, the rapid growth of the Party membership and the Red Army during 1928-1948 indicates that the Party was very successful in mobilizing the peasants to participate in the revolution. According to Liu Shao-chi, an overwhelming proportion of the party members came from the proletariat and semi-proletariat class, and very few from the workers' class.¹ One can therefore infer that most were poor peasants. The class composition of the Red Army is not clear. But it would not be far wrong to assume that a large proportion came also from the low income group. Since joining the Communist Party was voluntary, the large number of poor peasants entering the Party reflected their support of the Communist movement. The peasants' enlistment in the army was less clearcut, for they might have joined under coercion or political pressure. Nonetheless, it seems plausible that the growth of the army represented largely active participation of the peasants rather than simply conscription of farm labor. In 1946-1948 the Party succeeded in mobilizing about 1.6 million peasants to join the Red Army, who had been given land.²

¹Liu, 1950b, p. 18. Liu was referring to the class composition of the Party in 1945. Presumably the same was largely true of the other periods prior to 1949 except perhaps the first phase of the Communist movement in 1921-1927.

²Mao, Selected Works, p. 1347 (1948).

A Party and an army by themselves were not sufficient to bring forth a revolution successfully. This was one of the most important lessons from the painful experience of the 1920s. Mao fully recognized that there had to be participation and support from the broad masses. Did the Party gain the peasants' support? Mao declared that the Party had genuine support of peasants particularly after a more radical land policy was adopted in 1946.¹

Against the background of land hunger and social blockage, it is not difficult to see the reasons for Mao's claim that the Party could and did muster peasant support. First, land ownership had a powerful appeal to the peasants. "The peasant mentality is that of the petty bourgeoisie.... Although they live a hard life now, the hired laborers aspire to become tenants whenever possible, and after that they want to be owner-operators, and eventually, landlords."² In short, there was the strong urge to climb the ladder by way of owning land. Whereas the traditional institutions and local power groups blocked all hopes of climbing the ladder, the Communist Party offered the peasants a way to the top overnight. The offer was attractive because it was what the poor peasants had been craving far above everything else. As a Communist historian explains:

What banner do we use to mobilize peasants to join the revolution? Down with imperialism, abolish the unequal treaties, tariff autonomy, eliminate extra-territoriality, and so on, are all appropriate. But the peasants are not familiar with them. It would be difficult enough for them to understand these slogans. How can we expect them to rise immediately and fight relentlessly for these banners? We give you land. This is what the peasants have been dreaming about for thousands of years. We would immediately get a passionate response. How does one get land? They would ask. Well, those who want land follow us. We have a way. Thus, millions of peasants are mobilized or fight selflessly to acquire land. Consequently revolution in the villages rapidly spreads.³

¹Mao, Selected Works, p. 1256 (1947).

²Tan, 1926, p. 22.

³Yeh, 1951, p. 42.

In reality, the peasants seldom responded immediately, because the peasants were characteristically indifferent. Very often the poor peasants accepted hardship as their predetermined fate.¹ Even after the Communists took over the entire mainland and proclaimed a policy of nationwide land reform, the poor peasants still feared the return to power of the landlords; they were reluctant to antagonize others; they felt guilty about taking other people's land.² As Mao explained, the poor peasants had been bullied for so long and they so felt the lack of security that they dared not act positively.³ The Party therefore had to provide the ideology, the leadership, and the organization. An intensive propaganda campaign generally preceded a land reform in order to make the poor peasants fully aware of the class conflict. The cadres led the poor peasants by hand to organize the class struggle. The Party's military power was used to carry out the execution of the landlords. In short, the mobilization process required vigorous effort of the Party itself. A banner with strong appeal was not enough to generate active support. The Party must plan, stage, and participate in the campaign. The importance of the Party leadership can be clearly seen in Mao's explanation why the peasant movements in the 1920s failed: "The reason for the failure of this movement is that the masses did not fully organize themselves, and did not have leadership"⁴ (emphasis mine). At a later stage of the Communist movement in 1946 he directed the cadres to "resolutely lead the peasant masses to solve the land problem."⁵

Closely related to the fact that the peasants were passive were two main reasons why active leadership was necessary. First, the

¹ Fei, 1948b, pp. 3-5. Peng Pai, the Communist pioneer in peasant movements, recorded the following reply of the peasants when he tried to persuade them to stand up against the landlords: "This is fate. Those who live on rent will always live on rent. Those who are destined to do the farming will always farm." Peng, 1926, p. 253. See also Lee, 1950, pp. 229, 233; Hsiao, 1960, p. 372.

² Tu-ti kai-ke-chung fa-tung chun-tsung ti ching-yen (Experiences in Arousing the Masses in Land Reform), Jen-min chu-pan-she (no date or place given), pp. 4, 18, 28, 30.

³ Mao, Selected Works, p. 71 (1928).

⁴ Mao, 1926c, p. 1869.

⁵ Mao, Selected Works, p. 1206 (1946).

traditional gentry-landlord domination of the local power structure was so strong that only a major and systematic effort on the part of the leaders could uproot the institutions and power groups blocking their path. For this purpose Mao was ready to suppress 10 percent of the rural population, that is, about 50 million people.¹ The landed class must be destroyed and replaced by a new group of local cadres. The effort thus took the form of reorganization of the local power structure. Second, it was essential to transform the peasants into active participants not only in the land reform process but also in other activities of the revolution. The Party functioned as the director of the educational process. The peasants were led to believe that just as the Party stood for their interest in land policies or in fighting the Japanese so it did in all other phases of the revolution. Thus it was not incidental that campaigns to enlist more peasants into the army or to contribute more grain to the state often followed shortly after a land reform program.

SUMMARY

To sum up, in the case of the Chinese Communist movement, it would be naive to suggest that susceptibility of the peasants to Communism was the consequence of poverty alone. Quite apart from the widespread, abject poverty in the rural areas, three other elements were of crucial importance. First, virtually all channels of social and economic mobility were blocked, so that poor peasants were forced to resort to hazardous measures. Where banditry abounded, the area was generally ripe for Communist control. Second, an essential ingredient in the Communist mobilization program was the positive appeals that touched directly upon the peasants' interests. In the pre-1937 and post-1945 periods, land reform was used to fulfill the deeply rooted need for economic security. During the Sino-Japanese war when the radical land reform policy was temporarily suspended, a campaign to reduce rent was instituted to

¹Mao, "Speech at a Conference of Cadres in the Shansi-Suiyuan Liberated Area," Selected Works, p. 1313 (1948).

redistribute income in favor of the tenants.¹ Finally the Communist leaders spared no effort in indoctrinating and organizing the peasants at the base levels. Poverty and social blockage created the permanent gap between the peasants' aspirations and reality. Land and other motivational appeals provided a way to bridge the gap. But the actual bridging had to be performed by the Party.

¹Mao, "Spread in the Base Areas the Campaign for Rent Reduction, for Production, and for the Army's Support of the Government and Protection of the People," Selected Works, pp. 913-916 (1943).

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